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ABSTRACT

The transcript of the March 1979 hearings in the U.S. House of Representatives on the reauthorization of the Higher Education Act and related measures are compiled in this document. The hearings were held to review not only the programs that expire in 1979 but all higher education programs that come under the jurisdiction of the House Subcommittee on Postsecondary Education. Included in the testimony are discussions concerning: state educational opportunity programs, equal opportunity in higher education, student services, veterans programs, civil rights, Upward Bound Project, United States Student Association, college assistance migrant program, American Indian higher education, minorities in higher education, cooperative education, community and junior colleges, adult education, interinstitutional programs, library schools, developing institutions, and student financial aid programs. Testimony is presented by both government officials and institutional representatives. (SF)

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REAUTHORIZATION OF THE HIGHER EDUCATION ACT AND RELATED MEASURES

Part 1

HEARINGS

BEFORE THE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES

NINETY-SIXTH CONGRESS

FIRST SESSION

HEARINGS HELD IN WASHINGTON, D.C.,
ON MARCH 20, 28, 29; APRIL 10 AND 26, 1979

Printed for the use of the Committee on Education and Labor

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REAUTHORIZATION OF THE HIGHER EDUCATION ACT AND RELATED MEASURES

Part 1—Secretary of HEW

TUESDAY, MARCH 20, 1979

House of Representatives,
Subcommittee on Postsecondary Education
of the Committee on Education and Labor,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:30 a.m. in room 2175, Rayburn House Office Building, Hon. William D. Ford (chairman of the subcommittee) presiding.

Members present: Representatives Ford, Brademas, Biaggi, Peyser, Weiss, Ratchford, Perkins, Erlenborn, Buchanan, Jeffords, Edwards, Tauke, and Ashbrook.

Staff present: Thomas R. Wolanin, staff director; Patricia F. Rissler, deputy staff director; and William C. Clohan, minority assistant education counsel.

Mr. Ford. The Subcommittee on Postsecondary Education will come to order this morning for the purpose of beginning hearings on the reauthorization of the Higher Education Act and related measures. Most of the programs authorized by the Higher Education Act will expire during the life of this Congress and absolutely demand our attention for reenactment.

In addition we plan, during the course of consideration of that legislation, to review all of the higher education programs, whether they are about to expire or not, and that means all of the programs in postsecondary education coming under the jurisdiction of this subcommittee.

The reauthorization of the Higher Education Act in this Congress gives us a unique opportunity to make significant improvements in the existing program, and I know I speak for the committee when I say we hope that we can strengthen and broaden the Federal role in postsecondary education to move our Nation even further toward full and equal educational opportunities for all Americans.

It is appropriate to quote the title of President Johnson's message to Congress in which he proposed the Higher Education Act of 1965, which is, to quote another President, "the foundation on which all of the higher education legislation was built."

I think it is particularly appropriate that we have, as the first witness to begin what we expect to be a long series of hearings, a gentleman who was here at the beginning and actively lobbying this great body for the adoption of the Higher Education Act of

1965. Some might say it is a fitting retribution that he now finds himself wearing the "hair shirt" of trying to administer these programs after the success he had that far back getting them put on the books.

Secretary Joseph Califano, Secretary of Health, Education, and Welfare, is our first witness this morning to begin a discussion of what we should be considering in the reenactment of the Higher Education Act of 1965 and all of its progeny.

Mr. Secretary, I welcome you on behalf of the committee. It is indeed a pleasure to have you, and I see that you have the heavy hitters with you at the table this morning, so we expect a lively session.

Mr. **Buchanan**. I would like to join you in welcoming Secretary Califano to the committee and say we will hear you with our usual interest and respect and perhaps with more curiosity than usual since we have not yet had the opportunity to read your remarks, which have just arrived. You have developed a new technique which will guarantee our very strict attention to your remarks, Mr. Secretary.

STATEMENT OF HON. JOSEPH A. CALIFANO, JR., SECRETARY OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY MICHAEL O'KEEFE, DEPUTY ASSISTANT SECRETARY FOR PLANNING AND EVALUATION; AND LEO KORNFELD, DEPUTY COMMISSIONER, OFFICE OF EDUCATION

Secretary **Califano**. Mr. Chairman, it is a pleasure to be here. I think what you and this committee have done in terms of going out to all of the interested organizations and putting into legislative language and putting together their comments about existing legislation will be of enormous help to all of us.

I am delighted to help start these hearings. I would note at the outset that I am here not with specific proposals by and large but with general comments on the problems with these programs as well as some of the pluses with these programs.

My statement is unusually long. I will not read it all but I will stand by it, noting that we have provided an errata sheet with respect to two sections of the testimony to correct and delete portions of it.

Mr. Chairman, I am pleased to appear today before this distinguished subcommittee as you begin hearings on the reauthorization of the Higher Education Act of 1965. I am here today with, on my right, Michael O'Keefe, who is Deputy Assistant Secretary of HEW for Planning and Evaluation in the education area, and Leo Kornfeld, who is Deputy Commissioner of the Office of Education for the student financial aid programs.

This Nation takes great pride in its system of higher education—and justifiably so. Some 3,000 colleges and universities, public and private, now educate 12.6 million students, or three out of every eight 18- to 24-year-olds. An additional 2 million students are enrolled in postsecondary occupational programs. Expenditures in postsecondary education will be about $57 billion in 1980, compared with $12 billion in 1965, when the Higher Education Act was first passed.

There is a richness and diversity in these institutions. They range from community colleges—which provide job-related employment training, adult education and access to an academic career for millions of students to whom it was not available a decade ago—to the greatest public and private research universities in the world. These institutions, with their vitality, their brillance and their cherished tradition of academic freedom, are one of America's great national treasures.

Together with a strong elementary and secondary system, the institutions of higher education will continue to provide all Americans with the opportunity and training to make a better life for themselves and for their Nation. Education is the bedrock of our national life. It is a good in itself because it embraces and expands the potential of us all, and it is a necessary condition of democracy because the greatest safeguard for our freedom is an informed citizenry. As Thomas Jefferson said, "If a nation expects to be both ignorant and free it expects what never was and never will be."

Since 1965 the Federal Government has become a major partner in postsecondary education, with assistance in fiscal 1980 projected at about $10 billion for 1980, compared to $2 billion for 1965. Three basic purposes underlie the Federal commitment: (1) Removing the financial barriers to postsecondary education through direct aid, thus helping disadvantaged students, especially those from lower income and minority families, gain access to our Nation's colleges and universities; (2) insuring that America remains an intellectual leader among nations through the support of basic research and graduate education; and (3) providing support to institutions that have unique needs or roles and assisting them to improve the quality of the education they provide.

Although large and growing, the Federal presence in higher education must not intrude in any way upon the freedom of scholars even as an increasing share of costs, especially in some schools, is provided by the Federal Government. No reason, however compelling, can justify Federal constraints upon academic freedom and integrity. As we work together in reauthorizing the higher education programs, we must keep this fundamental premise clearly in mind.

This morning's testimony, Mr. Chairman, is about student aid programs. But, important as they are, they do not go to another fundamental problem of higher education, the deterioration of the research plant and facilities built up in the 1940's at our basic research universities and the need to provide opportunities for our brilliant young Ph. D.'s.

I think anyone who has read the study from the 15 research university presidents and the national interest will be profoundly concerned about this aspect of our Nation's educational resources.

The continued development of our Nation, the continued expansion of knowledge, the solution of many of our most complex problems, ranging from energy to education to human behavior, require that we enrich and nourish our basic research capability. That is why President Carter has, even in a time of tight budget, continued to increase the proportion of funds devoted to basic research. That is why I believe we must explore whether there should be additional Federal support to deal with those problems as part of the overall reauthorization process.

Let me turn now to the Federal student aid programs. Major student assistance programs—the basic education opportunity grant program, the supplemental educational opportunity grant program, the guaranteed student loan programs, the national direct student loan program, the State student incentive grant program and the college work study program—comprise an impressive Federal commitment to the assistance of students and their families.

In fiscal 1979 these programs will result in about 6.6 million awards that channel $4.9 billion Federal dollars and generate an additional $2.5 billion in loans and matching dollars from other public and private sectors. These dollars constitute 45 percent of the total Federal effort in postsecondary education and 13 percent of the $57 billion that we estimate will be spent on postsecondary education in fiscal 1979 from both public and private sources.

My remarks today are not intended to be a final statement of administration policy. Rather they reflect HEW's views and are intended to stimulate debate during the course of the hearings. As we have reviewed these programs, we have sought out the views of those who administer these programs and those who benefit from them. We have learned much from regional hearings involving over 250 witnesses. And we hope to benefit further from these hearings and the hearings in the Senate.

I would like to emphasize that in 1978 sharp increases in student financial assistance were mandated by the Congress with passage of the Middle-Income Student Assistance Act, an important set of reforms in the Federal aid programs that were developed in close cooperation with this subcommittee.

But, despite the needed expansion in student aid, we must also look at the student assistance programs in the context of the budgetary restraint that will be required in the immediate future and in the context of other competing claims for education spending. As we develop proposals for reauthorizing the student assistance laws, we should thus seek to ensure that the resources provided for these purposes by the taxpayers are used equitably and efficiently.

I will move now to page 11, Mr. Chairman.

Problems, nonetheless, exist within the student assistance programs. But before outlining them I think it is important to share with you some of the basic principles—beyond the need for achieving access and some choice—that should guide our consideration of changes in the Federal student aid effort:

Parents, through some family contribution, and students, through self-help in the form of work or loans, should retain a significant responsibility for financing postsecondary education. Students and parents on average today directly provide about 35 percent of the total costs of postsecondary education.

The amount that parents should be expected to contribute to their children's college education should be in direct proportion to their own financial ability to do so. Federal programs should thus continue to provide more assistance for low-income students than for middle- and higher-income students.

The burden of loans that a student carries after his postsecondary career should be manageable, both in terms of the total amount owed and in terms of the repayment period.

Federal student aid programs should not stimulate increases in the price of higher education; that is, schools should not increase tuition simply because additional Federal funds will be available to students. Similarly we must guard against the substitution of Federal student aid support for State and private, philanthropic financing of postsecondary education.

Federal programs that help meet the costs of education should be packaged at the institution because institutions are in the best position to deal with the special problems of particular students. Net packaging of aid should reflect the basic Federal policies and insure some consistency of availability from institution to institution.

There is also a role for loans, perhaps not subsidized, to assist the parents in spreading out the burden of that portion of the costs the family contribution must meet. We must insure that basic family living patterns are not disrupted when sons and daughters attend colleges and universities.

I expect there will be some debate about the fundamental principles. Indeed there have been a variety of recent proposals that challenge them, such as tax credits and the tuition advance fund. The opposition of the administration to tax credits is well known. They would be costly and yet would provide only very small amounts of help to each family. More seriously, they benefit rich and poor alike, not recognizing, as do these programs, that the poor need more assistance and the rich less.

Let me discuss briefly problems which were addressed in the reauthorization and should be addressed more completely this year:

INCREASING COST TO PARENTS

From 1967 to 1976, the after-tax median family income of those families likely to have children in college rose by about 70 percent while the average tuition at public institutions rose about 84 percent and, at private institutions, 78 percent. During that period, tuition at public 2-year colleges increased by almost 130 percent and, at public 4-year colleges, by 95 percent.

The evidence supports parental concerns about the rising costs of education, concerns that now arise in middle-income as well as low-income families. Last year, working together, we took a major step in addressing this concern through the budget increases and the expansion of BEOG included in the passage of the Middle-Income Student Assistance Act.

Even given increased Federal student assistance, there remain inequities in the distribution and availability of Federal support.

Federal aid programs—in particular the loan programs—are complex. both for those who administer them and for those who benefit, as I will describe in greater detail.

Members of Congress and the public are also concerned with the problems of fraud, abuse and waste in these programs. As you know, we have in the last 2 years moved aggressively to correct problems of abuse and have made substantial progress in dealing with the level of defaults in these programs.

During our 2 years in office we have taken major steps to improve these Federal student assistance programs. I am pleased to report that our efforts are beginning to show results. Here are the most recent figures we have.

One: By the end of the first quarter of this year we will have collected $10 million on defaulted Guaranteed Student Loans—GSL—five times the amount collected during the same quarter in fiscal 1977.

Two: In the same GSL program, over 30,000 student defaulters began repayment or fulfilled their obligation during the second fiscal quarter—more than three times the total for the entire fiscal year 1977.

Three: Federal collectors are now converting defaulted GSL accounts to repayment at a rate of 2,500 per week—more than eight times the rate when I took office. In April 1978 there were about 400,000 students in default. By this past March 1 this number had dropped to about 300,000. And we will effectively eliminate the backlog of student defaulters by the end of the first term of the Carter administration.

Four: We instituted Project Cross Check, which seeks to clean up the Federal Government's own house by using computers to match Government payrolls against the federally insured student loan default file.

Five: In the last 9 months we have referred over 4,600 civil cases to U.S. attorneys, compared to a total of about 500 for the previous 5 years.

Six: The result of these efforts is that we have reduced the default rate in GSL from approximately 14 percent in fiscal year 1978 to a recent figure of about 10 percent.

Seven: In NDSL I recently announced a major effort to reduce by a substantial amount a default rate which is now running at approximately 17 percent. This is the campus-based program and it has been much more difficult to clean up than the GSL program. I have written to the heads of each institution and I met with them, and we will deal with the problem of the past, the problem now involving more than 700,000 students in default—almost 800,000—and three-quarters of a billion dollars in default.

There is no question but that a lot remains to be done by the universities and the colleges in this area in the short term. In the longer term I have the gravest doubt as to whether or not those institutions should be in the business of collecting money.

Eight: In addition, our validation efforts in the basic grant program, our increased program review and audit efforts and the new institutional application procedures for the campus-based programs have improved the integrity of these programs. With the 1976 authority given us, we have limited—and terminated—schools from participating in the grant programs. This year we will conduct about 1,000 program reviews compared with 481 last year.

We estimate that, as a result of the computerization of the BEOG program, we will save about a half-billion dollars in BEOG grants that otherwise would have been made for the school year 1978–79.

Finally, we should all be concerned about the potential or dramatically increasing costs to the Federal Government of these programs.

More than any other area of Federal student assistance, the student loan programs are in need of serious reexamination, and this is perhaps the one area where we need substantial change.

The current student loan programs are beset by problems. Loans vary widely in availability to students. The forms and procedures for obtaining loans are overly complex. The programs have well-known collections and repayment problems. And, because of their complexity, their reliance on administrative middlemen and their generous incentives to the private sector, the programs are increasingly costly to the Government.

Let me now discuss these problems in a bit more detail.

FIRST—LOAN AVAILABILITY

Guaranteed student loans vary greatly in availability for many reasons. First, the willingness of banks to commit capital to student loans is not uniform across the Nation. The amount of loan money available varies from time to time as alternative investment options become more or less attractive.

In addition, commercial lenders often set arbitrary limits on loan amounts and many discriminate against students who are seen as poor risks—freshmen, vocational students, poor students and students whose families are not regular customers. For some students this means they simply cannot get loan money. I am concerned about the substantial variation in loan availability and the potential inequity which can result.

NDSL funds are also not uniformly available. As you know, in this program a loan fund is established at the institution through a Federal contribution of $9 for every $1 contributed by the institution. Low-interest—3-percent—loans are then made by the financial aid officer out of that fund.

These funds are not uniformly available because many institutions do not participate in the program. The high level of defaults in the NDSL program also limits availability since uncollected loans mean fewer dollars available for new lending at the institutions which do participate. In NDSL today there is an estimated total of $702 million in defaulted loans. If these moneys were collected, lending could be expanded in the program by 50 percent.

COMPLEXITY FOR STUDENTS

The loan programs are complex and confusing to students in two ways:

First: There are now seven Federal loan programs: five in HEW—guaranteed student loans, national direct student loans, health professions student loans, nursing student loans; and two outside HEW—law enforcement education program loans and veterans assistance loans. The resulting diversity of loan terms, limits, interest rates, forms and procedures result in serious confusion, inequitable student treatment and unanticipated repayment problems.

Second: Even within the major program, GSL, there is a great deal of complexity. Students themselves must seek out a bank which is willing to make a loan, often involving letters or applications to a half-dozen or more banks. The forms, conditions, and limitations on the size of loans will vary from bank to bank as well as among States. From the student's point of view, GSL is neither a single nor easily accessible program.

COMPLEXITY IN ADMINISTRATION

From the administrative perspective, the fragmented and multiple organizational nature of these programs also presents serious communications, accountability, and fiscal control problems. In any student loan program there are five major functions: Providing capital, determining the amount of need or eligibility, actually making the loan, the collection of payments, and dealing with defaults.

In the current GSL program these functions are split up and shared among many different agencies: Schools, State guarantee agencies, banks and other commercial lenders, private collection agencies, the Student Loan Marketing Association—Sallie Mae—through contract with private collection agencies and the Office of Education. The role of the guarantee agencies, for example, varies markedly from State to State. This itself leads to excessive complexity and to unnecessary costs.

The process of collections illustrates the complexity. At one point or another four different institutions could become involved in the collection of a loan: the banks or original lenders, the State agency, Sallie Mae through a contract with a private collection firm, and the Office of Education.

DEFAULTS AND REPAYMENT

Both of the major programs have experienced serious repayment and collection problems. As I have noted above, we have made substantial progress in GSL but have a substantial distance to go in NDSL.

Defaults are the result of both administrative problems—which can and are being corrected—as well as problems which legislative changes can help solve. Unreasonableness and inflexibility of repayment terms can often lead to defaults, a situation which can be improved by amending the law to allowing repayment schedules to be tailored more precisely to an individual's situation.

COSTS

The costs of existing Federal loan programs are high now and, I fear, may potentially become much higher. Both NDSL and GSL have cost problems. NDSL is costly to the Federal Government because it requires a direct appropriation to provide the capital to be loaned. The original intention was that the pool of loan funds created on the campus by NDSL would become self-supporting.

This has not happened for two reasons: First, as noted, because of the high default rates, large amounts of the NDSL capital remain uncollected and unavailable for new loans. Second, because the interest rate charged the student is well below the annual increases in college costs, the effective purchasing power of the pool of NDSL money will continue to shrink whether collections are adequate or not.

The fixed and low level of interest on NDSL loans was appropriate when money was much cheaper and when grants were not available. Given the present high cost of capital and given the rapid expansion of the basic education opportunity grant program, I feel this interest rate should be reexamined.

Rising costs in the guaranteed student loan program are the most serious and critical problem with which we must deal in the reauthorization. Costs in GSL are already high but will almost certainly get much higher without changes in the program.

In its current form, it is likely that loan volume in GSL will increase dramatically in the next few years. The universal availability of Federal money which is interest-free while in school and costs only 7 percent afterward is being widely advertised. In the recent issue of Changing Times magazine there is a story about the new availability of federally guaranteed and subsidized loans at local banks.

In Indiana recently the commissioner for higher education urged parents to obtain these loans, describing in detail how they could be reinvested for a net profit. There is preliminary evidence that, in response to these and other pressures, volume is increasing rapidly. In Maryland, for example, in the last year there has been an increase of approximately 73 percent in total loan volume in the State.

Given the news stories, it is possible that volume in this program will expand even beyond that. If half of those eligible to obtain loans are able to do so, annual borrowing could approach $10 billion at a cost to the Federal Government of $5 to $6 billion during the life of the loans.

Recent public attention has focused on defaults in the loan programs, giving the inaccurate impression that they are the major source of costs in this program. In fact, the major source of costs to the Federal Government are the subsidies provided to lenders and the subsidies provided to students. Default costs are less than either of these, although they are still too high.

At recent interest rates a $1,000 GSL will cost the Federal Government over the life of the loan about $700. Of this $700, only about $100 is attributable to defaults. The major cost is the payment by the Federal Government of the 7-percent interest while the student is in school.

For the average $1,000 loan this will cost the Federal Government about $325. The remainder, about $210, is the amount paid over the life of the loan to make it attractive to the lender to invest capital in a student loan.

I would like to make one other point about these loan programs in relationship to Sallie Mae. It is possible today for a lender to leverage a small amount of its own capital into a much larger and more profitable portfolio of student loans. Once a lender has a number of loans, he can then borrow 80 percent on the face value of those loans for Sallie Mae at interest rates which are 2½ percent less than it charges for the loans.

By repeated borrowing on the resulting new loans, the lender can multiply its original capital severalfold, giving it a very substantial rate of return on its own investment. For example, by doing this with $100,000 of its own capital, a lender can easily increase the total loans it makes to $300,000.

This program has been made profitable for the lenders to enlist their participation. But that fact also makes it very costly to the Federal Government, which must ultimately bear the burden of these subsidies as well as the costs resulting from fully guaranteeing the lender against any risk or loss.

THE ROLE OF SALLIE MAE

The current role of the Student Loan Marketing Association also causes me much concern. Sallie Mae was created in 1972 as part of the attempt to attract adequate private capital into GSL. A private profitmaking corporation, its role was to insure a ready and predictable market in which lenders could sell student loans should they want or need to do so. Briefly, its major activities were to be:

Raising capital, initially through a Federal appropriation, then from the private capital markets (the appropriation was never requested);

Purchasing student loans from lenders or State agencies to insure liquidity of lender capital; and

Supplying capital advances to lenders—holding a lender's student loans as collateral—to allow rapid expansion of lending to students.

In 1974 Sallie Mae was authorized to obtain funds from the Federal Financing Bank. The Federal Financing Bank maintains the policy that if an organization borrows from them it cannot also on the private market. As a result the capital it uses for purchasing loans and making advances is now 98 percent public. Of a current volume of $900 million, only $38 million is from private sources. The remainder is borrowed from the Federal Financing Bank at very attractive rates.

Sallie Mae did not fully sell its first public offering and, until recently, has required lenders to make a minimum stock purchase as a condition of doing business with Sallie Mae. Sallie Mae's Federal guarantee and thus its access to money from the Federal Government will expire in 1982, unless reauthorized. It will then be expected to raise capital through offerings in the private marketplace. It is likely that, if Sallie Mae must rely solely on the private money market, the amount of capital available to it will shrink and will become more costly. If this is to be avoided, then it will be drawing on even greater amounts of Federal capital.

Sallie Mae has moved slowly to establish a broadly accessible market for student loans. Only a relatively small proportion of lenders deal with Sallie Mae. Of 8,500 active lenders in GSL, Sallie Mae has made transaction commitments with less than 400.

To prepare for the time when it must raise capital in the private markets, Sallie Mae must be cautious and conservative about which loans it buys and which banks it deals with. That necessity—advisable from a business standpoint—in turn limits its effectiveness in providing complete liquidity for student loans.

As part of this reauthorization, Mr. Chairman, we urge careful review of Sallie Mae to determine whether it needs to be altered in order to insure that the purposes for which it was created are fully and effectively carried out.

IDEAS FOR REFORMING THE LOAN PROGRAMS

How can we deal with these problems? Any proposal or set of proposals for restructuring or reforming the student loan programs must: (1) Improve student access to needed capital within reasonable loan limits; (2) reduce current program complexity and related costs; (3) reduce opportunities for program abuse and mismanagement; (4) treat students and schools fairly and consistently; (5) provide reasonable, clear and more flexible repayment terms; and (6) complement and preserve the need-based Federal grant and work-study programs.

Let me suggest a set of possibilities for dealing with these problems. I hope they can be an appropriate starting place for the discussion of how the loan programs should be altered. I would note again that these are not the administration's official positions. Rather they are a point of departure which can help focus the debate.

First: You should consider how the current institutional structure—the banks, the guarantee agencies, Sallie Mae—can be simplified or otherwise changed. Simplification could lower costs to the Federal Government. It could also insure uniform access to loans from year to year—irrespective of the attractiveness of other investments—as well as State to State.

We should seriously examine whether the cost to the Federal Government of attracting banks and other lenders into the program is worth it, especially given that the capital being lent is also increasingly being supplied by the Federal Government through Sallie Mae.

One possibility would be a single, federally operated loan agency that would perform, under a single roof, the following basic functions: capital development, collection and dealing with defaults.

Second: We could consolidate the five HEW student loan programs—NDSL, GSL, health education assistance loans, health public service loans and nursing student loans—into a comprehensive and conceptually coherent loan program. This would reduce complexity and confusion for students, campus administrators and the Federal Government. Ideally we would also consolidate the loan programs lodged elsewhere in the executive branch, although I recognize this is not a possibility in the near term.

Third: We could establish a dual program consisting of two clearly differentiated and complementary types of loans:

A basic loan made to the student and limited to the amount of support remaining after the family contribution, the BEOG and other Federal, State and institutional assistance is taken into account. This loan could bear a relatively low rate of interest and the interest payment could be forgiven while the student is in school. There could be graduated repayment options and the maximum repayment period could be related to the student's total debt.

A supplemental loan above the basic loan amount—up to prescribed limits—to help cover the parents' contribution. Since the loan would be used to help the family spread out its cost of education, it probably should bear a higher rate of interest, more in keeping with the actual cost of capital. Interest should also be required on this loan during in-school and deferment periods, perhaps allowing the borrower to add to the principal obligation during these periods.

Such a dual program would simplify the loan structure, reflect the differing purposes of loans and insure that the Federal subsidy included in low interest rate loans is provided in relationship to the students' needs.

There would also be advantages if both loans were originated at the campus and included in the aid package the student financial aid officer works out with the student. Schools can act as disbursing agents—as they do for the current Federal campus-based programs—but schools should be relieved of all loan collection responsibilities.

These changes would have two very positive effects: First, students would not be required to shop around at many different banks, and financial aid officers would be better able to insure that the students' needs are met. Second, schools would be relieved of the burden of collection of loans, a function they have not, on the whole, performed well. The high default rate of the NDSL program would be reduced appreciably.

All loans should be able to be consolidated for repayment purposes so that the borrower would have a single repayment schedule after graduation. All loans should be limited to educational costs after the parents' contribution and other Federal, institutional and State assistance is taken into account.

There are other ways of dealing with these problems which will be suggested and debated in the days to come. As that debate proceeds, we will need to address three basic questions:

How do we balance costs to the Federal Government, costs to the student borrower and equitable access to loan funds? The total costs of the program will depend upon participation rates. If the problem of equitable access to loans is solved, total loan volume may rise substantially. At current levels of subsidies to the student, if volume increases, costs to the Federal Government could become very large.

If these costs are to be kept within realistic bounds, then interest rates charged students will have to be closer to the real costs of money to the Federal Government or the number of eligible students reduced.

This is the basic public policy trade-off with which we must deal: With a given amount of Federal money, do we want a heavily subsidized program which benefits a few or do we want to reduce that subsidy somewhat and insure that all who need a loan can get one? Or is there a middle ground between these two broad alternatives?

To what extent should the existing system be restructured? As I discussed earlier, there are costs and complexities which result from the large number of institutional partners involved in GSL. Are there simply too many middlemen in the system? We need to debate the trade-offs of these factors and the effectiveness of the current structure compared to a simpler, consolidated federally run structure.

And, as part of this inquiry, we should give the State guarantee agencies careful scrutiny. Are they performing their assigned tasks well? Should their role be simplified and reduced?

Finally, what should be the nature and role of Sallie Mae? As I noted above, it is my view that Sallie Mae to date has not functioned as effectively as it could. We should determine how Sallie Mae should be altered to better serve the purposes for which it was intended or whether indeed we need Sallie Mae.

These, then, are the issues concerning the loan programs which I hope will concern us. The loan programs are exceptionally important as a component in the total Federal strategy of guaranteeing access and some element of choice. Until they operate effectively and equitably we will not have fulfilled the promises and commitments made when these student aid programs were established.

I think the grant discussion I would skip over for the most part and go just briefly to page 39 and note that, in addition to the BEOG program and the other grant programs, there are programs I am not discussing this morning but which we will have comments on and I know this committee will deal with.

The college work-study program has been tremendously expanded during this administration, in cooperation with the Congress, from about 670,000 to about 1 million students and we think that proposals there should be considered because it is a strong and good program.

Second, we have continued the TRIO and the graduate and professional opportunities program to provide opportunities for minorities and disadvantaged students to move into the higher education arena, and programs relating to women in higher education. The title III developing institutions program, we think, deserves a careful look and restructuring. We will have specific proposals but I would note that that program is no longer a program for traditionally black institutions. They receive less than 50 percent of the funds under that program today.

As a result of a variety of court decisions, those institutions are being desegregated and over the next decade they are going to change dramatically. And, I think, as one looks at the title III developing institutions program, we must keep that in mind and keep in mind the problems of the small liberal arts college and problems of Hispanic institutions.

Finally, Mr. Chairman, we look at all of these programs at a time when demographic and social pressures are beginning to place great strains on America's institutions of higher education. Over the next 11 years the drop in the size of the 18- to 24-year-age group will be roughly 4.4 million students, or 16 percent. Although the decline in this prime college-age population may to some extent be compensated by increased college enrollments of older people, it seems clear that overall student enrollments will shrink.

This shrinkage will not affect institutions in a uniform fashion. Many strong institutions will feel the squeeze only slightly or not at all. Weaker institutions, however, may suffer greatly. The result will be simply that some will have to contract the scope of their operations, others may have to merge with sister institutions and still others may have to go out of business.

Together with demographic pressures, institutions are also faced with other increasingly evident burdens. Inflation has led to cutbacks of marginal but critical expenditures, such as books for libraries. Moreover the buildings created in the boom of the late forties and early fifties that allowed institutions to meet the needs of a greatly expanded higher education clientele are beginning to require greatly increased maintenance and renovation. The Federal demands for access for the handicapped and health and safety regulations increase the noninstructional costs.

Rebuilding the physical plant of the colleges and universities is a national problem of great concern, and there are social imperatives which the law places on these institutions, including enforcement of title IX of the education admendments of 1972.

The population shifts of the past 20 years have added yet another area of concern in our consideration of the higher education programs. The entrance into the college and university teaching profession and the resultant tenure of large numbers of professors in the sixties and early seventies threaten to eliminate job openings for new scholars in a variety of important academic areas.

The Federal Government cannot and should not address all of the consequences of these institutional problems. The national role will necessarily be limited. So long as the overall higher education establishment remains sound we need not be unduly concerned about the closings or mergers of individual colleges and universities.

It is no more in the interest of the Federal Government to maintain through subsidies an unneeded college than it is in the national interest to prevent the closings of unneeded elementary schools. Similarly it is not in the national interest to subsidize conventional maintenance costs of higher education institutions.

What should we do in the extraordinary circumstance where the national interest is threatened? We must make sure, for example, that the decline in enrollment does not lead to the disappearance nationally of entire curricula or fields of inquiry. Should we also have the authority to aid institutions during this period of adjustment? For example, should we have the authority to underwrite experiments to make colleges and universities more efficient through the pooling of scholarly resources—professors, libraries and physical facilities?

Together we face a great challenge in the consideration of the reauthorization of the Higher Education Act. I have tried to point out a few of the primary issues and the direction of our preliminary thinking.

In closing, I want to reiterate what I believe to be the major theme of this testimony. Simply put, we face an extraordinary opportunity in American history. This Nation is at the threshold of achieving the goal that all qualified students will have the financial means to obtain a bachelor's degree and to go on to professional or graduate school.

Moreover, we are making great strides in insuring that access is backed up by essential special attention for individuals who have not had enriched elementary and secondary school opportunities. We cannot let this goal escape us.

Yet we cannot afford to pursue this goal singlemindedly and disregard other significant problems facing institutions in the Nation. To insure access to institutions that are declining in quality would be a cruel end for all of our efforts. The challenge for higher education is to protect and enhance quality while simultaneously insuring equal opportunity. I believe that together we are equal to the task. Thank you.

Mr. FORD. Thank you, Mr. Secretary. The gentleman from Indiana.

Mr. BRADEMAS. I would like to ask unanimous consent that there be inserted following the statement of Secretary Califano in the transcript a committee print entitled "Legislative Recommendations for Reauthorization of the Higher Education Act and Related Measures," together with an appendix and accompanying document.

Mr. FORD. Without objection, the Secretary's prepared statement will be inserted in full in the record at this point followed immediately by the compendium of legislative suggestions which we have received now from approximately 60 organizations representing higher education.

[The statement errata sheet and other documents referred to follow. The committee print is available for review in the subcommittee office.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

TESTIMONY OF

SECRETARY JOSEPH A. CALIFANO, JR.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

BEFORE THE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION

OF THE

HOUSE COMMITTEE ON EDUCATION AND LABOR

MARCH 20, 1979

Mr. Chairman, Members of the Subcommittee:

I am pleased to appear today before this distinguished Subcommittee as you begin hearings on the reauthorization of the Higher Education Act of 1965. This is a crucial time in the history of higher education--a time of transition between the expansion of the sixties and early seventies and the more constricted world of the eighties. The Federal programs have evolved significantly in the 15 years since President Johnson signed the Higher Education Act into law. They now are an important element in the postsecondary sector. And these programs will play an important role over the next decade as our institutions respond to the needs of a changing era--both academic and economic.

This nation takes great pride in its system of higher education--and justifiably so. Some 3,000 colleges and universities--public and private--now educate 12.6 million students or three out of every eight 18 to 24 year olds. An additional 2 million students are enrolled in postsecondary occupational programs. Expenditures in postsecondary education will be about $57 billion in 1980 compared with $12 billion in 1965.

There is a richness and diversity in these institutions. They range from community colleges--which provide job-related employment training, adult education, and access to an academic career for millions of students to whom it was not available a decade ago--to the greatest public and private research universities in the world, which expand the frontiers of basic knowledge. These institutions--with their vitality, their brilliance and their cherished tradition of Academic Freedom--are one of America's great national treasures.

TOGETHER WITH A STRONG ELEMENTARY AND SECONDARY SYSTEM THE INSTITUTIONS OF HIGHER EDUCATION WILL CONTINUE TO PROVIDE ALL AMERICANS WITH THE OPPORTUNITY AND TRAINING TO MAKE A BETTER LIFE FOR THEMSELVES AND FOR THEIR NATION. EDUCATION IS THE BEDROCK OF OUR NATIONAL LIFE--IT IS A GOOD IN ITSELF BECAUSE IT EMBRACES AND EXPANDS THE POTENTIAL OF US ALL AND IT IS A NECESSARY CONDITION OF DEMOCRACY BECAUSE THE GREATEST SAFEGUARD FOR OUR FREEDOM IS AN INFORMED CITIZENRY. AS THOMAS JEFFERSON SAID: "IF A NATION EXPECTS TO BE BOTH IGNORANT AND FREE IT EXPECTS WHAT NEVER WAS AND NEVER WILL BE."

SINCE 1965, THE FEDERAL GOVERNMENT HAS BECOME A MAJOR PARTNER IN POSTSECONDARY EDUCATION, WITH ASSISTANCE IN FISCAL 1980 PROJECTED AT ABOUT $10 BILLION FOR 1980 COMPARED TO $2 BILLION FOR 1965. THREE BASIC PURPOSES UNDERLIE THE FEDERAL COMMITMENT:

- O REMOVING THE FINANCIAL BARRIERS TO POSTSECONDARY EDUCATION THROUGH DIRECT AID, THUS HELPING DISADVANTAGED STUDENTS, ESPECIALLY THOSE FROM LOWER INCOME AND MINORITY FAMILIES, GAIN ACCESS TO OUR NATION'S COLLEGES AND UNIVERSITIES.

  THE FEDERAL GOVERNMENT WILL PROVIDE ABOUT $8.4 BILLION IN STUDENT AID IN FY 1979. OE STUDENT AID PROGRAMS ALONE WILL PROVIDE ABOUT $4.9 BILLION IN DIRECT AID AND WILL HELP PROVIDE $2 BILLION IN LOANS.

- O ENSURING THAT AMERICA REMAINS AN INTELLECTUAL LEADER AMONG NATIONS THROUGH THE SUPPORT OF BASIC RESEARCH AND GRADUATE EDUCATION.

In fiscal 1979, it is estimated that Federal support to colleges and universities in the sciences and humanities for advanced scholarly inquiry will total $5.5 billion.

o Providing support to institutions that have unique needs or roles and assisting them to improve the quality of the education they provide.

Totalling $151 million in fiscal 1979, these funds aid developing institutions, support college and research libraries, and offer incentives to institutions to try out new ideas such as cooperative education. An important example of special institutional aid is found in President Carter's recent affirmation of the strong Federal committment to the historically black colleges and Federal universities.

Although large and growing, the Federal presence in higher education must not intrude in any way upon the freedom of scholars even as an increasing share of costs--especially in some schools--is provided by the Federal government. No reason, however compelling, can justify Federal constraints upon academic freedom and integrity. As we work together in reauthorizing the Higher Education programs we must keep this fundamental premise clearly in mind.

THIS MORNING'S TESTIMONY IS ABOUT STUDENT AID PROGRAMS. BUT, IMPORTANT AS THEY ARE, THEY DO NOT GO TO ANOTHER FUNDAMENTAL PROBLEM OF HIGHER EDUCATION--THE DETERIORATION OF THE RESEARCH PLANT AND FACILITIES BUILT UP IN THE 1940'S AT OUR BASIC RESEARCH UNIVERSITIES AND THE NEED TO PROVIDE OPPORTUNITIES FOR OUR BRILLIANT YOUNG PH.D.'S.

THE CONTINUED DEVELOPMENT OF OUR NATION, THE CONTINUED EXPANSION OF KNOWLEDGE, THE SOLUTION OF MANY OF OUR MOST COMPLEX PROBLEMS--RANGING FROM ENERGY TO EDUCATION TO HUMAN BEHAVIOR--REQUIRE THAT WE ENRICH AND NOURISH OUR BASIC RESEARCH CAPABILITY. THAT IS WHY PRESIDENT CARTER HAS, EVEN IN A TIME OF TIGHT BUDGET, CONTINUED TO INCREASE THE PROPORTION OF FUNDS DEVOTED TO BASIC RESEARCH. THAT IS WHY I BELIEVE WE MUST EXPLORE WHETHER THERE SHOULD BE ADDITIONAL FEDERAL SUPPORT TO DEAL WITH THOSE PROBLEMS AS PART OF THE OVERALL REAUTHORIZATION PROCESS.

LET ME TURN NOW TO THE FEDERAL STUDENT AID PROGRAMS.

STUDENT ASSISTANCE PROGRAMS: AN OVERVIEW

OE'S MAJOR STUDENT ASSISTANCE PROGRAMS--THE BASIC EDUCATION OPPORTUNITY GRANT PROGRAM, THE SUPPLEMENTAL EDUCATION OPPORTUNITY GRANTS, THE GUARANTEED STUDENT LOAN PROGRAMS, THE NATIONAL DIRECT STUDENT LOAN PROGRAM, THE STATE STUDENT INCENTIVE GRANT PROGRAM AND THE COLLEGE WORK STUDY PROGRAM--COMPRISE AN IMPRESSIVE FEDERAL COMMITMENT TO THE ASSISTANCE OF STUDENTS AND THEIR FAMILIES.

IN FISCAL 1979, THESE PROGRAMS WILL RESULT IN ABOUT 6.6 MILLION AWARDS THAT CHANNEL $4.9 BILLION FEDERAL DOLLARS AND GENERATE AN ADDITIONAL $2.5 BILLION IN LOANS AND MATCHING DOLLARS FROM OTHER PUBLIC AND PRIVATE SECTORS. THESE DOLLARS CONSTITUTE 45 PERCENT OF THE TOTAL FEDERAL EFFORT IN POSTSECONDARY EDUCATION AND 13 PERCENT OF THE $57 BILLION THAT WE ESTIMATE WILL BE SPENT ON POSTSECONDARY EDUCATION IN FISCAL 1979 FROM BOTH PUBLIC AND PRIVATE SOURCES.

TODAY, I WANT TO TAKE THIS OPPORTUNITY TO DISCUSS:

- THE EVOLUTION OF FEDERAL STUDENT AID POLICY;
- MY CONCEPT OF THE FUNDAMENTAL PRINCIPLES THAT SHOULD GUIDE OUR POLICIES IN THIS AREA IN THE COMING YEARS; AND
- ALTERNATIVE METHODS FOR ADDRESSING SOME OF THE SERIOUS PROBLEMS THAT EXIST IN THE PROGRAMS TODAY.

MY REMARKS TODAY ARE NOT INTENDED TO BE A FINAL STATEMENT OF ADMINISTRATION POLICY. RATHER THEY REFLECT HEW'S VIEWS AND ARE INTENDED TO STIMULATE DEBATE DURING THE COURSE OF THE HEARINGS. AS WE HAVE REVIEWED THESE PROGRAMS, WE HAVE SOUGHT OUT THE VIEWS OF THOSE WHO ADMINISTER THESE PROGRAMS AND THOSE WHO BENEFIT FROM THEM. WE HAVE LEARNED MUCH FROM REGIONAL HEARINGS INVOLVING OVER 250 WITNESSES. AND WE HOPE TO BENEFIT FURTHER FROM THESE HEARINGS AND THE HEARINGS IN THE SENATE.

I would like to emphasize that in 1978 sharp increases in student financial assistance were mandated by the Congress with passage of the Middle-Income Student Assistance Act--an important set of reforms in the Federal Aid programs that were developed in close cooperation with this Subcommittee. But despite the needed expansion in student aid, we must also look at the student assistance programs in the context of the budgetary restraint that will be required in the immediate future and in the context of other competing claims for education spending. As we develop proposals for reauthorizing the student assistance laws, we should thus seek to ensure that the resources provided for these purposes by the taxpayers are used equitably and efficiently.

The Student Assistance Programs: History and Successes

The Federal student aid programs were established for two major purposes, as you know well, Mr. Chairman.

First, they were intended to *ensure access* to postsecondary education for capable students. We have sought to make educational opportunity a reality for the poor and the disadvantaged, but we have also sought to provide assistance for middle-income families faced with heavy expenses for postsecondary education.

Second, they were intended to provide both lower and middle-income students with some possibility of *choice*--that is, the opportunity to attend a higher cost institution--should they be willing to assume the additional burden of work and loans.

AS WE REVIEW THE EXPERIENCE OF THE PAST FIVE YEARS, WE CAN TAKE GREAT PRIDE THAT THESE POLICIES AND PROGRAMS HAVE BEEN SUCCESSFUL IN OPENING THE DOOR TO MANY STUDENTS WHO FOR WANT OF FUNDS, EITHER WOULD NOT HAVE ENROLLED IN COLLEGE AT ALL OR COULD NOT OR HAVE BEEN ABLE TO ENROLL IN THE COLLEGE OF CHOICE. LAST FALL, 38 PERCENT OF THE 18-24 YEAR OLDS--THE "COLLEGE AGE POPULATION"--WERE ENROLLED IN COLLEGE COMPARED TO 29 PERCENT OF THAT AGE GROUP ENROLLED IN THE FALL OF 1968. IF ONLY 29 PERCENT OF THIS AGE GROUP WERE PARTICIPATING IN POSTSECONDARY EDUCATION TODAY, ABOUT ONE MILLION FEWER STUDENTS WOULD BE ATTENDING COLLEGE.

LAST FALL AN ESTIMATED 1.7 MILLION MINORITY STUDENTS WERE ENROLLED IN COLLEGE AS COMPARED WITH SLIGHTLY MORE THAN ONE-HALF MILLION IN 1968. OF THE MINORITY COLLEGE AGE POPULATION, ABOUT 25 PERCENT ARE NOW ENROLLED COMPARED WITH ONLY ABOUT 13 PERCENT A DECADE AGO. MINORITY STUDENTS NOW MAKE UP OVER 15 PERCENT OF THE STUDENT POPULATION. WHILE THERE ARE PROBABLY MANY CAUSES FOR THESE DRAMATIC INCREASES, THE FEDERAL STUDENT AID PROGRAMS ARE UNDOUBTEDLY A MAJOR ONE.

THESE FEDERAL STUDENT AID PROGRAMS--AND THE POLICIES THEY REPRESENT--HAVE EVOLVED DRAMATICALLY SINCE THE PASSAGE OF THE GI BILL IN 1944 WHEN THE FEDERAL GOVERNMENT UNDERTOOK ITS FIRST MAJOR EFFORT AT STUDENT ASSISTANCE:

- o SPURRED BY THE LAUNCHING OF SPUTNIK AND FEARS THAT THE UNITED STATES WAS LAGGING BEHIND IN DEFENSE RESEARCH, THE CONGRESS IN 1958 PASSED THE NATIONAL DEFENSE EDUCATION ACT. A MAJOR PROVISION OF THE BILL WAS A SUBSIDIZED STUDENT LOAN INITIATIVE WITH CANCELLATIONS FOR TEACHING SERVICE--THE NATIONAL DEFENSE STUDENT LOAN (NDSL) PROGRAM.

- o IN 1964, THE COLLEGE WORK-STUDY PROGRAM (CWS) WAS AUTHORIZED IN THE ECONOMIC OPPORTUNITY ACT.

- o IN 1965, THE HIGHER EDUCATION ACT, THE FIRST MAJOR PIECE OF STUDENT ASSISTANCE LEGISLATION ORIENTED TO THE STUDENT'S FINANCIAL NEEDS CREATED EDUCATIONAL OPPORTUNITY GRANTS (NOW SEOG), AND THE GUARANTEED STUDENT LOAN PROGRAM (GSL).

- o THE CONCEPT OF ASSISTANCE ON THE BASIS OF NEED ESTABLISHED IN 1965 WAS EXTENDED IN 1972 WITH THE CREATION OF THE BASIC EDUCATIONAL OPPORTUNITY GRANT (BEOG) AND STATE STUDENT INCENTIVE GRANT (SSIG) PROGRAMS.

- o THE 1978 MIDDLE INCOME STUDENT ASSISTANCE ACT (MISAA), WHILE RETAINING THE INCOME-RELATED NATURE OF GRANT AWARDS, EXPANDED ELIGIBILITY FOR THOSE AWARDS TO APPROXIMATELY ONE-THIRD OF THE STUDENTS ENROLLED IN POSTSECONDARY EDUCATION IN ORDER TO HELP STUDENTS FROM MIDDLE INCOME FAMILIES DEFRAY THE RISING COSTS OF POSTSECONDARY EDUCATION.

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As these programs have evolved, the amount of Federal postsecondary student aid has also expanded dramatically:

- In 1965 total expenditures in the postsecondary sector were about $12.8 billion. That year, parents and students faced tuition and fees of approximately $4.6 billion. OE student aid programs were a modest $200 million, only 4 percent of the total tuition and fees paid by to st[illegible] their families.

- By 1975, postsecondary education was spending almost $40 billion and students paid tuition and fees of approximately $9.2 billion. By that year the Federal student aid programs assisted those students at the level of $2.2 billion or 24 percent of their total tuition costs.

- Estimates for 1980 place total collegiate expenditures at about $57 billion and tuition and fees at about $13 billion. The OE student aid programs will provide approximately $4.9 billion or 37 percent of these needs.

Put another way, total dollars in the Federal student aid programs grew by more than ten-fold between 1965 and 1975. Between 1975 and 1980 they will more than double. On a per student basis this growth is also marked. In 1965 HEW student aid programs provided an average of $34 per enrolled full-time student. By 1975 that amount had grown to approximately $200 per student, and by 1980, it will be $390 per student.

THUS, WE HAVE MADE GREAT STRIDES IN ACHIEVING THE DREAM THAT MOTIVATED THOSE OF US WHO SOUGHT TO ENACT THESE PROGRAMS IN THE LATE SIXTIES AND THE EARLY SEVENTIES.

- COMBINED WITH STUDENT SUMMER EARNINGS, OUR BASIC AND SUPPLEMENTAL GRANT PROGRAMS NOW EFFECTIVELY ASSURE ACCESS FOR A NEEDY STUDENT TO A FOUR-YEAR PUBLIC UNIVERSITY THAT COSTS AN AVERAGE OF ABOUT $2,800 IN 1978-79. THE POOREST STUDENT, WHO RECEIVES NO CONTRIBUTION FROM HIS PARENTS AND ATTENDS THIS "AVERAGE" PUBLIC INSTITUTION, WILL RECEIVE A BASIC GRANT OF $1,400 AND MIGHT, FOR EXAMPLE, RECEIVE A SUPPLEMENTAL GRANT OF $700. WITH NO MORE THAN $700 IN SUMMER OR PART-TIME EARNINGS, THAT STUDENT'S COST OF EDUCATION CAN BE FULLY MET.
- THAT SAME STUDENT ATTENDING THE "AVERAGE" PRIVATE INSTITUTION, FACES COSTS OF ABOUT $3,900 IN 1978-79. HE WOULD BE ELIGIBLE FOR A BASIC GRANT OF $1,800 AND COULD RECEIVE A SUPPLEMENTAL GRANT OF UP TO $1,500. COMBINED WITH $700 OF EXPECTED SUMMER EARNINGS, AN "AVERAGE" PRIVATE EDUCATION WOULD BE WITHIN HIS REACH.

THUS, THE GOALS OF ACCESS AND, TO A GREAT DEGREE, CHOICE HAVE BEEN ACHIEVED FOR MANY STUDENTS.

PRINCIPLES AND PROBLEMS

PROBLEMS, NONETHELESS EXIST WITHIN THE STUDENT ASSISTANCE PROGRAMS. BUT BEFORE OUTLINING THEM, I THINK IT IMPORTANT TO SHARE WITH YOU SOME OF THE BASIC PRINCIPLES--BEYOND THE NEED FOR ACHIEVING ACCESS AND SOME CHOICE--THAT SHOULD GUIDE OUR CONSIDERATION OF CHANGES IN THE FEDERAL STUDENT AID EFFORT:

- PARENTS, THROUGH SOME FAMILY CONTRIBUTION, AND STUDENTS, THROUGH SELF-HELP IN THE FORM OF WORK OR LOANS, SHOULD RETAIN A SIGNIFICANT RESPONSIBILITY FOR FINANCING POSTSECONDARY EDUCATION. STUDENTS AND PARENTS ON AVERAGE TODAY DIRECTLY PROVIDE ABOUT 35 PERCENT OF THE TOTAL COSTS OF POSTSECONDARY EDUCATION.

- THE AMOUNT THAT PARENTS SHOULD BE EXPECTED TO CONTRIBUTE TO THEIR CHILDREN'S COLLEGE EDUCATION SHOULD BE IN DIRECT PROPORTION TO THEIR OWN FINANCIAL ABILITY TO DO SO. FEDERAL PROGRAMS SHOULD THUS CONTINUE TO PROVIDE MORE ASSISTANCE FOR LOW-INCOME STUDENTS THAN FOR MIDDLE-AND HIGHER-INCOME STUDENTS.

- THE BURDEN OF LOANS THAT A STUDENT CARRIES AFTER HIS POSTSECONDARY CAREER SHOULD BE MANAGEABLE--BOTH IN TERMS OF THE TOTAL AMOUNT OWED AND IN TERMS OF THE REPAYMENT PERIOD.

o FEDERAL STUDENT AID PROGRAMS SHOULD NOT STIMULATE INCREASES IN THE PRICE OF HIGHER EDUCATION--THAT IS, SCHOOLS SHOULD NOT JACK UP TUITION SIMPLY BECAUSE ADDITIONAL FEDERAL FUNDS WILL BE AVAILABLE TO STUDENTS. SIMILARLY, WE MUST GUARD AGAINST THE SUBSTITUTION OF FEDERAL STUDENT AID SUPPORT FOR STATE AND PRIVATE PHILANTHROPIC FINANCING OF PUBLIC POSTSECONDARY EDUCATION.

o FEDERAL PROGRAMS THAT HELP MEET THE COSTS OF EDUCATION SHOULD BE "PACKAGED" AT THE INSTITUTION BECAUSE INSTITUTIONS ARE IN THE BEST POSITION TO DEAL WITH THE SPECIAL PROBLEMS OF PARTICULAR STUDENTS. NET PACKAGING OF AID SHOULD REFLECT THE BASIC FEDERAL POLICIES AND ENSURE SOME CONSISTENCY OF AVAILABILITY FROM INSTITUTION-TO-INSTITUTION. THE PROTOTYPE "PACKAGE" WHICH WOULD MEET THE COSTS OF EDUCATION INCLUDES THE FOLLOWING:

-- THE FAMILY CONTRIBUTION AND THE BEOG WHICH TOGETHER FORM THE FOUNDATION OF SUPPORT--THESE ARE OBVIOUSLY TIED TOGETHER SINCE THE GREATER THE FAMILY'S ABILITY TO CONTRIBUTE THE SMALLER THE BEOG'S GRANT WILL BE;

-- SOME WORK COMPONENT EXPECTED OF THE STUDENT, INCLUDING WORK-STUDY;

-- SEOG AND OTHER STATE AND INSTITUTIONAL GRANT AID;

-- SUBSIDIZED LOANS WILL FILL THE GAPS BETWEEN TOTAL COSTS OF EDUCATION TO THE STUDENT AND THE ABOVE SOURCES OF SUPPORT.

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There is also a role for loans--perhaps not subsidized--to assist the parents in spreading out the burden of that portion of the costs the "family contribution" must meet. We must ensure that basic family living patterns are not disrupted when sons and daughters attend colleges and universities.

I expect there will be some debate about the fundamental principles. Indeed, there have been a variety of recent proposals that challenge them such as tax credits and the Tuition Advance Fund. The opposition of the Administration to tax credits is well-known: they would be costly and yet would provide only very small amounts of help to each family. More seriously, they benefit rich and poor alike, not recognizing--as do these programs--that the poor need more assistance and the rich less.

Thus, I believe that we should reject substantial departures from the present structure of the Federal Student Aid programs which relies on a combination of components--family contribution, grants, loans, work and other institutional aid--in meeting a student's cost of education.

Although this broad structure is sound and although we have accomplished much with Federal student assistance, we must, however, also recognize that there are problems facing Federal Student Aid--problems which were addressed partly in MISAA and which this reauthorization should address more completely this year.

LET ME DISCUSS THEM BRIEFLY:

- INCREASING COSTS TO PARENTS. FROM 1967 TO 1976, THE AFTER TAX MEDIAN FAMILY INCOME OF THOSE FAMILIES LIKELY TO HAVE CHILDREN IN COLLEGE ROSE BY ABOUT 70 PERCENT, WHILE THE AVERAGE TUITION AT PUBLIC INSTITUTIONS ROSE ABOUT 84 PERCENT AND AT PRIVATE INSTITUTIONS 78 PERCENT. DURING THAT PERIOD, TUITION AT PUBLIC TWO-YEAR COLLEGES INCREASED BY ALMOST 130 PERCENT AND AT PUBLIC FOUR-YEAR COLLEGES BY 95 PERCENT. THE EVIDENCE SUPPORTS PARENTAL CONCERNS ABOUT THE RISING COSTS OF EDUCATION--CONCERNS THAT NOW ARISE IN MIDDLE-INCOME AS WELL AS LOWER-INCOME FAMILIES. LAST YEAR, WORKING TOGETHER, WE TOOK A MAJOR STEP IN ADDRESSING THIS CONCERN THROUGH THE BUDGET INCREASES AND THE EXPANSION OF BEOG INCLUDED IN THE PASSAGE OF THE MIDDLE-INCOME STUDENT ASSISTANCE ACT.

- EVEN GIVEN INCREASED FEDERAL STUDENT ASSISTANCE, THERE REMAIN INEQUITIES IN THE DISTRIBUTION AND AVAILABILITY OF FEDERAL SUPPORT.

- FEDERAL AID PROGRAMS--IN PARTICULAR THE LOAN PROGRAMS--ARE COMPLEX, BOTH FOR THOSE WHO ADMINISTER THEM AND FOR THOSE WHO BENEFIT AS I WILL DESCRIBE IN GREATER DETAIL BELOW.

- MEMBERS OF CONGRESS AND THE PUBLIC ARE ALSO CONCERNED WITH THE PROBLEMS OF FRAUD, ABUSE, AND WASTE IN THESE PROGRAMS. AS YOU KNOW, WE HAVE IN THE LAST TWO YEARS MOVED AGGRESSIVELY TO CORRECT PROBLEMS OF ABUSE AND HAVE MADE SUBSTANTIAL PROGRESS IN DEALING WITH THE LEVEL OF DEFAULTS IN THESE PROGRAMS. DURING OUR TWO YEARS IN OFFICE WE HAVE TAKEN MAJOR STEPS TO IMPROVE THESE FEDERAL STUDENT ASSISTANCE PROGRAMS. I AM PLEASED TO REPORT THAT OUR EFFORTS ARE BEGINNING TO SHOW RESULTS. HERE ARE THE MOST RECENT FIGURES WE HAVE:

  - BY THE END OF THE FIRST QUARTER OF THIS YEAR, WE WILL HAVE COLLECTED $10 MILLION ON DEFAULTED GUARANTEED STUDENT LOANS (GSL) --FIVE TIMES THE AMOUNT COLLECTED DURING THE SAME QUARTER IN FISCAL 1977.

  - IN THE SAME GSL PROGRAM, OVER 30,000 STUDENT DEFAULTERS BEGAN REPAYMENT OR FULFILLED THEIR OBLIGATION DURING THE SECOND FISCAL QUARTER--MORE THAN THREE TIMES THE TOTAL FOR THE ENTIRE FISCAL YEAR 1977.

  - FEDERAL COLLECTORS ARE NOW CONVERTING DEFAULTED GSL ACCOUNTS TO REPAYMENT AT A RATE OF 2,500 PER WEEK--MORE THAN EIGHT TIMES THE RATE WHEN I TOOK OFFICE. IN APRIL, 1978, THERE WERE ABOUT 400,000 STUDENTS IN DEFAULT. BY THIS PAST MARCH 1ST, THIS NUMBER HAD DROPPED TO ABOUT 300,000.

- We instituted Project Cross Check which seeks to clean up the Federal government's own house by using computers to match government payrolls against the Federally Insured Student Loan default file.

- In the last nine months, we have referred over 4,600 civil cases to U.S. Attorneys, compared to a total of about 500 for the previous 5 years.

- The result of these efforts is that we have reduced the default rate in GSL from approximately 14 percent in fiscal year 1978 to a recent figure of about 10 percent.

- In NDSL I recently announced a major effort to reduce by a substantial amount a default rate which is now running at approximately 17 percent. Through letters to heads of the participating institutions, I have indicated specific steps that I expect them to take to correct this situation. For the longer term we must squarely face the question of whether institutions of higher education will ever be efficient bill collectors.

- IN ADDITION, OUR VALIDATION EFFORTS IN THE BASIC GRANT PROGRAM, OUR INCREASED PROGRAM REVIEW AND AUDIT EFFORTS, AND THE NEW INSTITUTIONAL APPLICATION PROCEDURES FOR THE CAMPUS-BASED PROGRAMS HAVE IMPROVED THE INTEGRITY OF THESE PROGRAMS. WITH THE 1976 AUTHORITY GIVEN US WE HAVE LIMITED--AND TERMINATED--SCHOOLS FROM PARTICIPATING IN THE GRANT PROGRAMS. THIS YEAR WE WILL CONDUCT ABOUT 1000 PROGRAM REVIEWS COMPARED WITH 481 LAST YEAR.

  SIMPLIFYING THESE PROGRAMS WILL ALSO REDUCE THE LIKELIHOOD OF ERROR, WASTE, FRAUD AND ABUSE.

o FINALLY, WE SHOULD ALL BE CONCERNED ABOUT THE POTENTIAL OR DRAMATICALLY INCREASING COSTS TO THE FEDERAL GOVERNMENT OF THESE PROGRAMS.

THESE ARE SERIOUS PROBLEMS BUT NOT SO SERIOUS AS TO CALL IN QUESTION THE BASIC STRUCTURE OF OUR STUDENT-AID POLICIES AND PROGRAMS. WE CAN AND, I HOPE, WILL DEAL WITH THEM OVER THE NEXT MONTHS.

THE LOAN PROGRAM

MORE THAN ANY OTHER AREA OF FEDERAL STUDENT ASSISTANCE, THE STUDENT LOAN PROGRAMS ARE IN NEED OF SERIOUS REEXAMINATION AND THIS IS, PERHAPS, THE ONE AREA WHERE WE NEED SUBSTANTIAL CHANGE.

The current student loan programs are beset by problems. Loans vary widely in availability to students. The forms and procedures for obtaining loans are overly complex. The programs have well-known collections and repayment problems. And--because of their complexity, their reliance on administrative middlemen, and their generous incentives to the private sector--the programs are increasingly costly to the Government.

Let me now discuss these problems in a bit more detail.

1. Loan Availability. Guaranteed Student Loans vary greatly in availability for many reasons. First, the willingness of banks to commit capital to student loans is not uniform across the nation. The amount of loan money available varies from time to time as alternative investment options become more or less attractive. In addition, commercial lenders often set arbitrary limits on loan amounts, and many discriminate against students who are seen as "poor risks"--freshmen, vocational students, poor students and students whose families are not regular customers. For some students, this means they simply cannot get loan money. I am concerned about the substantial variation in loan availability and the potential inequity which can result.

NDSL funds are also not uniformly available. As you know, in this program a loan fund is established at the institution through a Federal contribution of nine dollars for every one dollar contributed by the institution. Low interest--three percent--loans are then made by the financial aid officer out of that fund.

THESE FUNDS ARE NOT UNIFORMLY AVAILABLE BECAUSE MANY INSTITUTIONS DO NOT PARTICIPATE IN THE PROGRAM. THE HIGH LEVEL OF DEFAULTS IN THE NDSL PROGRAM ALSO LIMITS AVAILABILITY, SINCE UNCOLLECTED LOANS MEAN FEWER DOLLARS AVAILABLE FOR NEW LENDING AT THE INSTITUTIONS WHICH DO PARTICIPATE. IN NDSL TODAY, THERE IS AN ESTIMATED TOTAL OF $702 MILLION IN DEFAULTED LOANS. IF THESE MONIES WERE COLLECTED LENDING COULD BE EXPANDED IN THE PROGRAM BY 50 PERCENT.

2. COMPLEXITY FOR STUDENTS. THE LOAN PROGRAMS ARE COMPLEX AND CONFUSING TO STUDENTS IN TWO WAYS. FIRST, THERE ARE NOW SEVEN FEDERAL LOAN PROGRAMS: FIVE IN HEW--GUARANTEED STUDENT LOANS, NATIONAL DIRECT STUDENT LOANS, HEALTH PROFESSIONS STUDENT LOANS, NURSING STUDENT LOANS, —AND TWO OUTSIDE HEW, LAW ENFORCEMENT EDUCATION PROGRAM LOANS, AND VETERANS ASSISTANCE LOANS. THE RESULTING DIVERSITY OF LOAN TERMS, LIMITS, INTEREST RATES, FORMS, AND PROCEDURES RESULT IN SERIOUS CONFUSION, INEQUITABLE STUDENT TREATMENT, AND UNANTICIPATED REPAYMENT PROBLEMS. SECONDLY, EVEN WITHIN THE MAJOR PROGRAM--GSL--THERE IS A GREAT DEAL OF COMPLEXITY. STUDENTS THEMSELVES MUST SEEK OUT A BANK WHICH IS WILLING TO MAKE A LOAN, OFTEN INVOLVING LETTERS OR APPLICATIONS TO A HALF-DOZEN OR MORE BANKS. THE FORMS, CONDITIONS AND LIMITATIONS ON THE SIZE OF LOANS WILL VARY FROM BANK TO BANK AS WELL AS AMONG STATES. FROM THE STUDENT'S POINT OF VIEW, GSL IS NEITHER A SINGLE NOR EASILY ACCESSIBLE PROGRAM.

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3. COMPLEXITY IN ADMINISTRATION. FROM THE ADMINISTRATIVE PERSPECTIVE, THE FRAGMENTED AND MULTIPLE ORGANIZATIONAL NATURE OF THESE PROGRAMS ALSO PRESENTS SERIOUS COMMUNICATIONS, ACCOUNTABILITY AND FISCAL CONTROL PROBLEMS. IN ANY STUDENT LOAN PROGRAM, THERE ARE FIVE MAJOR FUNCTIONS:

- PROVIDING CAPITAL,
- DETERMINING THE AMOUNT OF NEED OR ELIGIBILITY,
- ACTUALLY MAKING THE LOAN,
- THE COLLECTION OF PAYMENTS,
- DEALING WITH DEFAULTS.

IN THE CURRENT GSL PROGRAM, THESE FUNCTIONS ARE SPLIT UP AND SHARED AMONG MANY DIFFERENT AGENCIES--SCHOOLS, STATE GUARANTEE AGENCIES BANKS AND OTHER COMMERCIAL LENDERS. PRIVATE COLLECTION AGENCIES, THE STUDENT LOAN MARKETING ASSOCIATION (SALLIE MAE), THROUGH CONTRACT WITH PRIVATE COLLECTION AGENCIES AND THE OFFICE OF EDUCATION. THE ROLE OF THE GUARANTEE AGENCIES FOR EXAMPLE, VARIES MARKEDLY FROM STATE TO STATE. THIS LEADS TO EXCESSIVE COMPLEXITY AND TO UNNECESSARY COSTS.

THE PROCESS OF COLLECTIONS ILLUSTRATES THE COMPLEXITY. AT ONE POINT OR ANOTHER, FOUR DIFFERENT INSTITUTIONS COULD BECOME INVOLVED IN THE COLLECTION OF A LOAN: THE BANKS OR ORIGINAL LENDERS, THE STATE AGENCY, SALLIE MAE THROUGH A CONTRACT WITH A PRIVATE COLLECTION FIRM, AND THE OFFICE OF EDUCATION.

4. DEFAULTS AND REPAYMENT. BOTH OF THE MAJOR PROGRAMS HAVE EXPERIENCED SERIOUS REPAYMENT AND COLLECTION PROBLEMS. AS I HAVE NOTED ABOVE, WE HAVE MADE SUBSTANTIAL PROGRESS IN GSL BUT HAVE A SUBSTANTIAL DISTANCE TO GO IN NDSL.

DEFAULTS ARE THE RESULT OF BOTH ADMINISTRATIVE PROBLEMS--WHICH CAN AND ARE BEING CORRECTED--AS WELL AS PROBLEMS WHICH LEGISLATIVE CHANGES CAN HELP SOLVE. UNREASONABLENESS AND INFLEXIBILITY OF REPAYMENT TERMS CAN OFTEN LEAD TO DEFAULTS, A SITUATION WHICH CAN BE IMPROVED BY AMENDING THE LAW TO ALLOWING REPAYMENT SCHEDULES TO BE TAILORED MORE PRECISELY TO AN INDIVIDUAL'S SITUATION.

5. COSTS. THE COSTS OF EXISTING FEDERAL LOAN PROGRAMS ARE HIGH NOW AND, I FEAR, MAY POTENTIALLY BECOME MUCH HIGHER. BOTH NDSL AND GSL HAVE COST PROBLEMS.

NDSL IS COSTLY TO THE FEDERAL GOVERNMENT BECAUSE IT REQUIRES A DIRECT APPROPRIATION TO PROVIDE THE CAPITAL TO BE LOANED. THE ORIGINAL INTENTION WAS THAT THE POOL OF LOAN FUNDS CREATED ON THE CAMPUS BY NDSL WOULD BECOME SELF-SUPPORTING. THIS HAS NOT HAPPENED FOR TWO REASONS. FIRST, AS NOTED, BECAUSE OF THE HIGH DEFAULT RATES, LARGE AMOUNTS OF THE NDSL CAPITAL REMAIN UNCOLLECTED AND UNAVAILABLE FOR NEW LOANS. SECONDLY, BECAUSE THE INTEREST RATE CHARGED THE STUDENT IS WELL BELOW THE ANNUAL INCREASES IN COLLEGE COSTS, THE EFFECTIVE PURCHASING POWER OF THE POOL OF NDSL MONEY WILL CONTINUE TO SHRINK WHETHER COLLECTIONS ARE ADEQUATE or not. The fixed and low level of interest on NDSL loans was appropriate when money was much cheaper and when grants were not available. Given the present high cost of capital and given the rapid expansion of the Basic Education Opportunity Grant program, I feel this interest rate should be re-examined.

Rising costs in the Guaranteed Student Loan program are the most serious and critical problem with which we must deal in the reauthorization. Costs in GSL are already high but will almost certainly get much higher without changes in the program.

In its current form, it is likely that loan volume in GSL will increase dramatically in the next few years. The universal availability of Federal money which is interest-free while in school and costs only seven percent afterward is being widely advertised. In the recent issue of Chaging Times magazine, there is a story about the new availability of Federally guaranteed and subsidized loans at local banks. In Indiana recently, the Commissioner for Higher Education urged parents to obtain these loans, describing in detail how they could be reinvested for a net profit. There is preliminary evidence that in response to these and other pressures volume is increasing rapidly. In Maryland, for example, in the last year, there has been an increase of approximately 73 percent in total loan volume in the State.

GIVEN THE NEWS STORIES, IT IS POSSIBLE THAT VOLUME IN THIS PROGRAM WILL EXPAND EVEN BEYOND THAT. IF HALF OF THOSE ELIGIBLE TO OBTAIN LOANS ARE ABLE TO DO SO, ANNUAL BORROWING COULD APPROACH $10 BILLION AT A COST TO THE FEDERAL GOVERNMENT OF $5 TO $6 BILLION DURING THE LIFE OT THE LOANS.

RECENT PUBLIC ATTENTION HAS FOCUSED ON DEFAULTS IN THE LOAN PROGRAMS, GIVING THE INACCURATE IMPRESSION THAT THEY ARE THE MAJOR SOURCE OF COSTS IN THIS PROGRAM. IN FACT, THE MAJOR SOURCE OF COSTS TO THE FEDERAL GOVERNMENT ARE THE SUBSIDIES PROVIDED TO LENDERS AND THE SUBSIDIES PROVIDED TO STUDENTS. DEFAULT COSTS ARE LESS THAN EITHER OF THESE ALTHOUGH THEY ARE STILL TOO HIGH.

AT RECENT INTEREST RATES, A $1,000 GSL WILL COST THE FEDERAL GOVERNMENT OVER THE LIFE OF THE LOAN ABOUT $700. OF THIS $700, ONLY ABOUT $100 IS ATTRIBUTABLE TO DEFAULTS. THE MAJOR COST IS THE PAYMENT BY THE FEDERAL GOVERNMENT OF THE SEVEN PERCENT INTEREST WHILE THE STUDENT IS IN SCHOOL. FOR THE AVERAGE $1,000 LOAN THIS WILL COST THE FEDERAL GOVERNMENT ABOUT $435. THE REMAINDER—ABOUT $165—IS THE AMOUNT PAID OVER THE LIFE OF THE LOAN TO MAKE IT ATTRACTIVE TO THE LENDER TO INVEST CAPITAL IN A STUDENT LOAN.

THE LAST POINT DESERVES FURTHER EXPLANATION. GSL IS BASED ON THE ASSUMPTION THAT IF THE PROGRAM IS MADE ATTRACTIVE ENOUGH, PRIVATE CAPITAL WILL BE COMMITTED TO IT. THIS IS A COSTLY STRATEGY FOR THE

FEDERAL GOVERNMENT. BANKS CAN NOW MAKE AN ANNUAL LOAN OF $2,500 TO THE COLLEGE SON OR DAUGHTER OF A CUSTOMER AND RECEIVE AN ANNUAL PAYMENT FROM THE FEDERAL GOVERNMENT OF $300 (12 PERCENT) WHILE THE STUDENT IS IN SCHOOL, WITH NO ASSOCIATED COLLECTION COSTS. ONCE THE STUDENT LEAVES SCHOOL, THE BANK CAN ELECT TO KEEP THE LOAN. IT WILL THEN RECEIVE PAYMENTS AT 7 PERCENT FROM THE STUDENT AND A SPECIAL ALLOWANCE (NOW OVER 5 PERCENT) FROM THE FEDERAL GOVERNMENT. THE BANK CAN ALSO DECIDE TO SELL THE STUDENT LOANS TO STUDENT LOAN MARKETING ASSOCIATION AT FULL FACE VALUE, RETURNING ITS CAPITAL FOR FURTHER STUDENT LOANS OR OTHER PURPOSES, THUS AVOIDING THE COSTS OF COLLECTION.

IT IS ALSO POSSIBLE FOR A LENDER TO "LEVERAGE" A SMALL AMOUNT OF ITS OWN CAPITAL INTO A MUCH LARGER AND MORE PROFITABLE PORTFOLIO OF STUDENT LOANS. ONCE IT HAS A NUMBER OF LOANS, THE LENDER CAN THEN BORROW 80 PERCENT OF THE FACE VALUE OF THOSE STUDENT LOANS FROM SALLIE MAE AT INTEREST RATES WHICH ARE FOUR PERCENT LESS THAN IT CHARGES FOR THE LOANS. BY REPEATED BORROWING ON THE RESULTING NEW LOANS, THE LENDER CAN MULTIPLY ITS ORIGINAL CAPITAL SEVERALFOLD, GIVING IT A VERY SUBSTANTIAL RATE OF RETURN ON ITS OWN INVESTMENT. FOR EXAMPLE, BY DOING THIS WITH $100,000 OF ITS OWN CAPITAL, A LENDER CAN EASILY INCREASE THE TOTAL LOANS IT MAKES TO $500,000 AND CAN EARN AS MUCH AS $24,000 PER YEAR ON THAT ORIGINAL $100,000 INVESTMENT.

THIS PROGRAM HAS BEEN MADE PROFITABLE FOR THE LENDERS TO ENLIST THEIR PARTICIPATION. BUT THAT FACT ALSO MAKES IT VERY COSTLY TO THE FEDERAL GOVERNMENT WHICH MUST ULTIMATELY BEAR THE BURDEN OF THESE SUBSIDIES

AS WELL AS THE COSTS RESULTING FROM FULLY GUARANTEEING THE LENDER AGAINST ANY RISK OR LOSS.

6. ROLE OF SALLIE MAE

THE CURRENT ROLE OF THE STUDENT LOAN MARKETING ASSOCIATION ALSO CAUSES ME MUCH CONCERN. SALLIE MAE WAS CREATED IN 1972 AS PART OF THE ATTEMPT TO ATTRACT ADEQUATE PRIVATE CAPITAL INTO GSL. A PRIVATE PROFIT MAKING CORPORATION, ITS ROLE WAS TO ENSURE A READY AND PREDICTABLE MARKET IN WHICH LENDERS COULD SELL STUDENT LOANS SHOULD THEY WANT OR NEED TO DO SO.

BRIEFLY, ITS MAJOR ACTIVITIES WERE TO BE:

- RAISING CAPITAL, INITIALLY THROUGH A FEDERAL APPROPRIATION, THEN FROM THE PRIVATE CAPITAL MARKETS;
- PURCHASING STUDENT LOANS FROM LENDERS OR STATE AGENCIES TO ENSURE LIQUIDITY OF LENDER CAPITAL;
- SUPPLYING CAPITAL ADVANCES TO LENDERS--HOLDING A LENDER'S STUDENT LOANS AS COLLATERAL--TO ALLOW RAPID EXPANSION OF LENDING TO STUDENTS.

TO DATE, SALLIE MAE HAS UNFORTUNATELY NOT FULFILLED ITS PROMISE.

IT HAS FAILED TO ATTRACT PRIVATE CAPITAL TO SUPPORT ITS OPERATIONS AND IS UNLIKELY TO BE ABLE TO DO SO. THE CAPITAL IT USES FOR PURCHASING LOANS AND MAKING ADVANCES IS NOW 98 PERCENT PUBLIC. OF A CURRENT VOLUME OF $900 MILLION, ONLY $38 MILLION IS FROM PRIVATE SOURCES. THE REMAINDER IS BORROWED FROM THE FEDERAL FINANCING BANK AT VERY ATTRACTIVE RATES.

Sallie Mae did not fully sell its first public offering and, until recently, has required lenders to make a minimum stock purchase as a condition of doing business with Sallie Mae. Sallie Mae's access to money from the Federal government will expire in 1982 and it will then be expected to raise capital through offerings in the private marketplace. It is likely that if Sallie Mae must rely solely on the private money market, the amount of capital available to it will shrink and will become more costly. If this is to be avoided, then it will be drawing on even greater amounts of Federal capital.

Sallie Mae has also failed to establish a broadly accessible market for student loans: only a small proportion of lenders deal with Sallie Mae and--until recently--it dealt with very few smaller banks. Of 8,500 active lenders in GSL, Sallie Mae deals with less than 100.

To prepare for the time when it must raise capital in the private markets, Sallie Mae must be cautious and conservative about which loans it buys, and which banks it deals with. That necessity--advisable from a business standpoint--in turn limits its effectiveness in providing complete liquidity for student loans.

As part of this reauthorization, we should carefully review Sallie Mae and determine whether it needs to be altered in order to ensure that the purposes for which it was created are fully and effectively carried out.

IDEAS FOR REFORMING THE LOAN PROGRAMS

HOW CAN WE DEAL WITH THESE PROBLEMS? ANY PROPOSAL OR SET OF PROPOSALS FOR RESTRUCTURING OR REFORMING THE STUDENT LOAN PROGRAMS MUST: (1) IMPROVE STUDENT ACCESS TO NEEDED CAPITAL WITHIN REASONABLE LOAN LIMITS, (2) REDUCE CURRENT PROGRAM COMPLEXITY AND RELATED COSTS, (3) REDUCE OPPORTUNITIES FOR PROGRAM ABUSE AND MISMANAGEMENT, (4) TREAT STUDENTS AND SCHOOLS FAIRLY AND CONSISTENTLY, (5) PROVIDE REASONABLE, CLEAR AND MORE FLEXIBLE REPAYMENT TERMS, AND (6) COMPLIMENT AND PRESERVE THE NEED-BASED FEDERAL GRANT AND WORK/STUDY PROGRAMS.

LET ME SUGGEST A SET OF POSSIBILITIES FOR DEALING WITH THESE PROBLEMS. I HOPE THEY CAN BE AN APPROPRIATE STARTING PLACE FOR THE DISCUSSION OF HOW THE LOAN PROGRAMS SHOULD BE ALTERED. I WOULD NOTE, AGAIN, THAT THESE ARE NOT THE ADMINISTRATION'S OFFICIAL POSITIONS. RATHER, THEY ARE A POINT OF DEPARTURE WHICH CAN HELP FOCUS THE DEBATE.

- FIRST, YOU SHOULD CONSIDER HOW THE CURRENT INSTITUTIONAL STRUCTURE--THE BANKS, THE GUARANTEE AGENCIES, SALLIE MAE--CAN BE SIMPLIFIED OR OTHERWISE CHANGED. SIMPLIFICATION COULD LOWER COSTS TO THE FEDERAL GOVERNMENT. IT COULD ALSO ENSURE UNIFORM ACCESS TO LOANS FROM YEAR TO YEAR--IRRESPECTIVE OF THE ATTRACTIVENESS OF OTHER INVESTMENTS--AS WELL AS STATE TO STATE. WE SHOULD SERIOUSLY EXAMINE WHETHER THE COST TO THE FEDERAL GOVERNMENT OF ATTRACTING BANKS AND OTHER LENDERS INTO THE PROGRAM ARE WORTH IT, ESPECIALLY GIVEN THAT THE CAPITAL BEING LENT IS ALSO INCREASINGLY BEING SUPPLIED BY THE FEDERAL GOVERNMENT THROUGH SALLIE MAE.

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One possibility would be a single, Federally operated loan agency that would perform, under a single roof and without the extra costs now incurred by Sallie Mae, the following basic functions: capital development, collection and dealing with defaults.

- Secondly, we could consolidate the five HEW student loan programs (NDSL, GSL, Health Education Assistance Loans, Health Public Service Loans, and Nursing Student Loans) into a comprehensive and conceptually coherent loan program. This would reduce complexity and confusion for students, campus administrators, and the Federal government. Ideally we would also consolidate the loan programs lodged elsewhere in the Executive Branch, although I recognize this is not a possibility in the near term.

- Thirdly, we could establish a dual program consisting of two clearly differentiated, and complementary types of loans:

  -- A basic loan made to the student and limited to the amount of support remaining after the family contribution, the BEOG, and other Federal, State and institutional assistance is taken into account. This loan could bear a relatively low rate of interest, and the interest payment could be forgiven while the student is in school. There could be graduated repayment options and the maximum repayment period could be related to the student's total debt.

-- A SUPPLEMENTAL LOAN ABOVE THE BASIC LOAN AMOUNT (UP TO PRESCRIBED LIMITS) TO HELP COVER THE PARENTS' CONTRIBUTION. SINCE THE LOAN WOULD BE USED TO HELP THE FAMILY SPREAD OUT ITS COSTS OF EDUCATION, IT PROBABLY SHOULD BEAR A HIGHER RATE OF INTEREST, MORE IN KEEPING WITH THE ACTUAL COST OF CAPITAL. INTEREST SHOULD ALSO BE REQUIRED ON THIS LOAN DURING IN-SCHOOL AND DEFERMENT PERIODS, PERHAPS ALLOWING THE BORROWER TO ADD TO THE PRINCIPLE OBLIGATION DURING THESE PERIODS.

SUCH A DUAL PROGRAM WOULD SIMPLIFY THE LOAN STRUCTURE, REFLECT THE DIFFERING PURPOSES OF LOANS, AND ENSURE THAT THE FEDERAL SUBSIDY INCLUDED IN LOW INTEREST RATE LOANS IS PROVIDED IN RELATIONSHIP TO THE STUDENT'S NEEDS.

o THERE WOULD ALSO BE ADVANTAGES IF BOTH LOANS WERE ORIGINATED AT THE CAMPUS AND INCLUDED IN THE AID PACKAGE THE STUDENT FINANCIAL AID OFFICER WORKS OUT WITH THE STUDENT. SCHOOLS CAN ACT AS DISBURSING AGENTS (AS THEY DO FOR THE CURRENT FEDERAL "CAMPUS-BASED" PROGRAMS), BUT SCHOOLS SHOULD BE RELIEVED OF ALL LOAN COLLECTION RESPONSIBILITIES. THESE CHANGES WOULD HAVE TWO VERY POSITIVE EFFECTS. FIRST, STUDENTS WOULD NOT BE REQUIRED TO "SHOP AROUND" AT MANY DIFFERENT BANKS AND FINANCIAL AID OFFICERS WOULD BE BETTER ABLE TO ENSURE THAT THE STUDENT'S NEEDS ARE MET. SECONDLY, SCHOOLS WOULD BE RELIEVED OF THE BURDEN OF COLLECTION OF LOANS, A FUNCTION THEY HAVE NOT, ON THE WHOLE, PERFORMED WELL. THE HIGH DEFAULT RATE OF THE NDSL PROGRAM WOULD BE REDUCED APPRECIABLY.

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- All loans should be able to be consolidated for repayment purposes, so that the borrower would have a single repayment schedule after graduation.
- All loans should be limited to educational costs after the parents' contribution and other Federal, institutional, and State assistance is taken into account.

There are other ways of dealing with these problems which will be suggested and debated in the days to come. As that debate proceeds, we will need to address three basic questions:

- How do we balance costs to the Federal government, costs to the student borrower, and equitable access to loan funds? The total costs of the program will depend upon participation rates: if the problem of equitable access to loans is solved, total loan volume may rise substantially. At current levels of subsidies to the student, if volume increases, costs to the Federal government could become very large. If these costs are to be kept within realistic bounds, then interest rates charged students will have to be closer to the real costs of money to the Federal government or the number of eligible students reduced. This is the basic public policy trade-off with which we must deal: with a given amount of Federal money do we want a heavily subsidized program which benefits a few or do we want to reduce that subsidy somewhat and ensure that all who need a loan can get one? Or is there a middle ground between these two broad alternatives?

- To what extent should the existing system be restructured? As I discussed earlier, there are costs and complexities which result from the large number of institutional partners involved in GSL. Are there simply too many middlemen in the system? We need to debate the trade-offs of these factors and the effectiveness of the current structure compared to a simpler, consolidated Federally-run structure. And as part of this inquiry, we should give the Sta[illegible]arantee agencies careful scrutiny:--Are they performing their assigned tasks well? Should their role be simplified--and reduced?

- Finally, what should be the nature and role of Sallie Mae? As I noted above, it is my view that Sallie Mae to date has not functioned as effectively as it could. We should determine how Sallie Mae should be altered to better serve the purposes for which it was intended.

These then are the issues concerning the loan programs which I hope will concern us. The loan programs are exceptionally important as a component in the total Federal strategy of guaranteeing access and some element of choice. Until they operate effectively and equitably, we will not have fulfilled the promises and commitments made when these student aid programs were established.

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GRANTS

AT THIS POINT I WOULD LIKE TO TURN TO A DISCUSSION OF SOME OF THE ISSUES IN THE BEOG PROGRAM. LAST YEAR, THIS SUBCOMMITTEE HELPED MAKE THE MAJOR CHANGES IN THE PROGRAM THAT SHOULD ENSURE MORE COMPLETE ACCESS TO HIGHER EDUCATION. WITHIN THE STRUCTURE OF THE PROGRAM, HOWEVER, THERE REMAIN PROBLEMS WHICH ARE IMPORTANT AND WHICH SHOULD BE ADDRESSED IN THIS REAUTHORIZATION. I WOULD LIKE TO RAISE THREE OF THESE ISSUES AT THIS TIME.

o NON-UNIFORMITY. ONE ASPECT OF THE BEOG FORMULA WHICH HAS GENERATED WIDE-SPREAD DISCUSSION IS THE SO-CALLED "HALF-COST" RULE. AS YOU KNOW THE AMOUNT OF THE BEOG GRANT IS the maximum award (currently $1800) less ~~OBTAINED BY DETERMINING THE STUDENT'S COST OF EDUCATION (INCLUDING TUITION, FEES, AND LIVING EXPENSES) AND SUBTRACTING~~ THE EXPECTED PARENTAL CONTRIBUTION, but not to exceed half the student's cost of education (including tuition, fees, and living expenses). ~~THE REMAINING AMOUNT IS THEN THE BEOG AWARD, BUT IT IS LIMITED IN TWO WAYS. FIRST, IT CAN BE NO MORE THAN $1,800, THE CURRENT MAXIMUM AWARD. AND SECONDLY, IT CANNOT EXCEED HALF THE COST OF EDUCATION.~~

THE EFFECT OF THIS PROVISION IS THAT AT A LOW-COST INSTITUTION, A MIDDLE-INCOME STUDENT AND A LOWER-INCOME STUDENT MAY RECEIVE AN IDENTICAL GRANT, IN SPITE OF THE DIFFERENCES IN FAMILY SITUATION. TAKE THE EXAMPLE OF TWO STUDENTS WHO ATTEND A SCHOOL WHICH COSTS $2,400. THE FIRST STUDENT HAS NO EXPECTED FAMILY CONTRIBUTION AND THUS NEEDS $2,400 IN AID. THE SECOND STUDENT HAS AN EXPECTED FAMILY CONTRIBUTION OF $400 AND THEREFORE A REMAINING NEED OF $2,000. UNDER THE HALF-COST RULE THEY WILL BOTH RECEIVE $1,200.

Proposals to deal with this non-uniformity include the following:

-- The simple elimination of this provision. The effect of this would be to increase the grant to the low-income student attending these colleges. In the above example, the low-income student would now receive $1,800 and the higher-income student $1,400.

-- Shifting from half-cost to a limit of no more than half of need. In the above example "cost" is $2,400 and "need" is $2,400 for the first student and $2,000 for the second. Under this alternative, the first student would still receive $1,200, but the second student would only receive $1,000. The non-uniformity is dealt with by reducing the amount to the higher income student.

-- Requiring a specified contribution by the student in the form of work or loans as a substitute for the half-cost rule. The determination of the amount of the Basic Grant now assumes a contribution from the family--its income and assets--but none from income generated by the student himself (for example, through summer or part-time work). In this option, the student would be assumed to contribute from his own earnings. In the above example, if a $600 contribution were assumed of all students, the first student would receive a grant of $1,800 ($2,400 minus $600) the

SECOND A GRANT OF $1,400 ($2,400 MINUS THE PARENTAL CONTRIBUTION OF $400 AND THE STUDENT'S "SELF-HELP" CONTRIBUTION OF $600)

--AN INCREASE PROPORTIONATE TO THEIR RELATIVE NEED.

THESE ARE THREE POSSIBLE WAYS TO DEAL WITH THIS PROBLEM.

WHILE WE DO NOT HAVE A SPECIFIC RECOMMENDATION AT THIS TIME, WE ARE ATTRACTED BY THE NOTION THAT IN BEOGS, THERE SHOULD BE SOME EXPECTATION FOR WORK ON THE PART OF THE STUDENT. INCLUDING A WORK COMPONENT WOULD REFLECT A REALITY--SUMMER JOBS CAN INCREASE INCOME FOR STUDENTS--AND WOULD ESTABLISH CLEARLY THAT EVEN THE STUDENT ATTENDING A LOW-COST INSTITUTION SHOULD MAKE SOME FINANCIAL CONTRIBUTION TO HIS OWN EDUCATION.

o PACKAGING. A SECOND INEQUITY IN THE STUDENT AID PROGRAMS IS LESS SPECIFIC TO BEOG BUT HAS TO DO WITH THE WAY IN WHICH THE GRANT IS COMBINED WITH OTHER CAMPUS-BASED FEDERAL AID IN THE STUDENT FINANCIAL ASSISTANCE OFFICE.

THERE ARE CURRENTLY NO RULES FOR HOW THIS ASSISTANCE SHOULD BE "PACKAGED" BY THE CAMPUS FINANCIAL AID OFFICER. THIS IS APPROPRIATE; INDIVIDUAL STUDENTS' FINANCIAL CIRCUMSTANCES CAN DIFFER IN WAYS WHICH CANNOT BE TAKEN INTO ACCOUNT IN A RIGID FORMULA SUCH AS IN BEOG. YET, THAT SAME FLEXIBILITY CAN CREATE WIDE VARIATION IN WHAT AN IDENTICAL STUDENT MIGHT RECEIVE IN TOTAL GRANT AND WORK-STUDY MONEY FROM ONE CAMPUS TO ANOTHER. THE RESULT IS AN

INEQUITY SINCE THE ONE STUDENT WILL BE REQUIRED TO COVER THE DIFFERENCE BY ASSUMING A LOAN BURDEN IN EXCESS OF THAT FOR THE OTHER STUDENT.

WE FEEL THAT VOLUNTARY, NOT COMPULSORY, GUIDELINES FOR THE PACKAGING OF FEDERAL STUDENT AID SHOULD BE ESTABLISHED. STUDENT FINANCIAL AID OFFICERS SHOULD BE URGED TO UTILIZE THOSE GUIDELINES AS MUCH AS POSSIBLE, HOWEVER, LEAVING DISCRETION IN THEIR HANDS TO DEAL WITH THE UNIQUE CIRCUMSTANCE. IN THE STATUTE, VOLUNTARY GUIDELINES COULD BE REQUIRED AS PART OF THE REGULATIONS.

- COMPLEXITY. ANOTHER AREA OF CONCERN IN THE GRANT PROGRAM IS THE COMPLEXITY OF THE CALCULATIONS INVOLVED AND THE FORMS THEMSELVES. WE ARE MAKING ADMINISTRATIVE EFFORTS TO STREAMLINE THESE FORMS AS MUCH AS POSSIBLE. AS A PART OF THIS REAUTHORIZATION, HOWEVER, WE SHOULD ALSO EXAMINE THE SPECIFIC ELEMENTS OF THE FORMULA TO DETERMINE WHETHER SIMPLIFICATION IS POSSIBLE. FOR EXAMPLE, WITHOUT AFFECTING THE PROGRAM SUBSTANTIALLY, WE COULD PERMIT FINANCIAL AID OFFICERS TO USE SCHOOL-WIDE AVERAGE COSTS INSTEAD OF ACTUAL COSTS FOR DETERMINING THE BASIC GRANT AWARD. THIS WOULD REDUCE SOME OF THE ADMINISTRATIVE BURDEN AND COMPLEXITY AT THE CAMPUSES.

- INFLATION. THE FINAL AREA OF CONCERN WITH RESPECT TO THE GRANT PROGRAM--AND IN FACT THE ENTIRE STUDENT AID PACKAGE--IS THE PROBLEM OF INFLATION. THERE ARE TWO ASPECTS OF THIS PROBLEM:

-- THESE PROGRAMS MAY PROVIDE THE KIND OF STIMULUS TO INSTITUTIONS AND STATES WHICH WILL LEAD TO RAPID INCREASES IN TUITION AND FEES IN AN EFFORT TO SUBSTITUTE FEDERAL STUDENT AID DOLLARS FOR STATE AND INSTITUTIONAL SUPPORT.

-- THERE ARE ALSO NUMEROUS PROPOSALS TO PROVIDE SOME AUTOMATIC MECHANISM THROUGH WHICH THE BASIC GRANT WOULD INCREASE EACH YEAR.

WE MUST ALL BE CONCERNED ABOUT THE FIRST OF THESE ISSUES. IF TUITION INCREASES BECOME EXCESSIVE, THE EFFECT IS TO SHIFT THE FINANCIAL BURDEN MORE AND MORE TO THE FEDERAL GOVERNMENT WITHOUT ANY REAL INCREASE IN ACCESS. SUCH INCREASES WOULD, IN EFFECT, FRUSTRATE THE PURPOSE OF THESE PROGRAMS.

THE SECOND ISSUE GROWS OUT OF A CONCERN THAT IF THE BEOG MAXIMUM IS NOT INCREASED, THE YEAR-TO-YEAR INFLATION IN FAMILY INCOMES AUTOMATICALLY REDUCES THE SIZE OF THE GRANT A STUDENT RECEIVES, IN SPITE OF THE FACT THAT HIS SITUATION HAS NOT CHANGED. THIS IS A REALITY, BUT INDEXING IS NOT THE ANSWER TO IT.

o FIRST, INDEXING WOULD LIMIT OUR FLEXIBILITY IN FINANCING EDUCATION PROGRAMS. IN A TIME OF BUDGETARY RESTRAINT, THIS FLEXIBILITY IS VERY IMPORTANT.

- SECOND, OVER THE LIFE OF THE PROGRAM, THE APPROPRIATION PROCESS HAS PROVIDED FOR A MORE THAN ADEQUATE INCREASE IN THE MAXIMUM AWARD. IN 1974 WHEN THE FIRST AWARDS WERE BEGUN, THE MAXIMUM AWARD WAS $452. THIS YEAR, THAT MAXIMUM IS $1,800 --AN INCREASE OVER SEVEN YEARS OF 300 PERCENT, WELL AHEAD OF THE AVERAGE INCREASE IN COSTS OVER THAT SAME PERIOD. THERE IS NO NEED TO INDEX THE MAXIMUM: THE ANNUAL APPROPRIATION PROCESS HAS ADEQUATELY AND EFFECTIVELY DEALT WITH NECESSARY INCREASES IN THE PROGRAM.

BEFORE I END THE DISCUSSION OF THE GRANTS PROGRAM, I SHOULD COMMENT BRIEFLY ON A RELATED MATTER, OUR PROPOSAL TO PHASE-OUT SOCIAL SECURITY STUDENT BENEFITS. IN 1965 WHEN THE SOCIAL SECURITY STUDENT BENEFIT WAS ENACTED, TOTAL FUNDING FOR OE'S STUDENT AID PROGRAMS WAS ONLY $200 MILLION. IF THIS FUNDING LEVEL HAD SIMPLY KEPT PACE WITH INFLATION, ABOUT $400 MILLION WOULD BE AVAILABLE TODAY. BUT, AS I HAVE SAID, THESE PROGRAMS WILL IN TOTAL PROVIDE MORE THAN $4.9 BILLION NEXT SCHOOL YEAR.

BECAUSE OF THE LIMITED AMOUNT OF FEDERAL ASSISTANCE AVAILABLE IN 1965, THERE WAS A LEGITIMATE NEED FOR SPECIAL HELP FOR THE STUDENT WHOSE PARENT WAS RETIRED, DISABLED OR DECEASED. HOWEVER, GIVEN THE EXTRAORDINARY GROWTH IN THE FUNDING LEVELS OF THE OE STUDENT AID PROGRAMS SINCE THEN, WE BELIEVE THIS NEED IS CURRENTLY BEING MET. IN A PERIOD OF SCARCE DOLLARS, WE SHOULD MORE CAREFULLY TARGET OUR STUDENT AID FUNDS ON RECOGNIZED NEEDS--AND ALLOW INSTITUTIONS AND STUDENTS TO DEVELOP THE MOST SENSIBLE PACKAGE OF STUDENT ASSISTANCE TO MEET INDIVIDUAL CIRCUMSTANCES.

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OTHER PROGRAMS

MY DISCUSSION TO THIS POINT HAS FOCUSED PRIMARILY ON THE LOAN AND GRANT STUDENT ASSISTANCE PROGRAMS. BUT THEY ARE NOT THE ONLY SIGNIFICANT COMPONENTS IN THE FEDERAL COMMITMENT TO PROVIDE OPPORTUNITY FOR ALL QUALIFIED STUDENTS TO EXTEND THEIR EDUCATION TO COLLEGE AND BEYOND. THERE ARE FOUR OTHER IMPORTANT PARTS TO THIS EFFORT:

- THE FIRST IS THE COLLEGE WORK-STUDY PROGRAM. IMMENSELY AND DESERVEDLY POPULAR, THIS PROGRAM HAS GROWN DRAMATICALLY UNDER THE CARTER ADMINISTRATION. THE PROGRAM SERVED 676,000 STUDENTS IN 1976 BUT NOW PROVIDES WORK EXPERIENCE FOR NEARLY ONE MILLION STUDENTS.

  THE PROGRAM IS NOT EXPERIENCING ANY MAJOR PROBLEMS AND ACCORDINGLY OUR PROPOSALS FOR REAUTHORIZATION WILL NOT BE DESIGNED TO OVERHAUL THE PROGRAM BUT RATHER WILL STRENGTHEN AND BETTER INTEGRATE IT WITH THE OTHER PARTS OF THE STUDENT ASSISTANCE EFFORT. YOU SHOULD CONSIDER LEGISLATIVE PROPOSALS TO:

  -- MAKE THE DISTRIBUTION OF WORK-STUDY FUNDS MORE CONSISTENT WITH THE NEED AMONG STATES AND INSTITUTIONS FOR STUDENT AID;

  -- INCREASE THE NUMBER, QUALITY AND VARIETY OF JOBS AVAILABLE TO STUDENTS, INCLUDING THOSE WHO ARE HANDICAPPED;

  -- IMPROVE THE ADMINISTRATION OF THE PROGRAM AT THE INSTITUTIONAL LEVEL.

- A SECOND CRITICAL COMPLEMENT TO THE STUDENT ASSISTANCE EFFORT ARE THE PROGRAMS THAT PROVIDE ADDITIONAL SERVICES TO STUDENTS TO ENHANCE AND SUPPORT THE FINANCIAL ACCESS THAT STUDENT AID PROVIDES. THE TRIO PROGRAMS ARE LODGED WITH STUDENT ASSISTANCE IN TITLE IV. THESE PROGRAMS SEEK OUT AND PROVIDE GUIDANCE AND SPECIAL TRAINING FOR TALENTED POOR AND MINORITY STUDENTS IN HIGH SCHOOL AND COLLEGE. OUR COMMITMENT TO THE GOALS OF THESE SUPPORT SERVICES IS STRONG--AND OUR APPRECIATION OF THEIR EFFECTIVENESS IS GROWING. THE VERY POSITIVE FINDINGS OF A RECENT EVALUATION OF THE UPWARD BOUND PROGRAM HAS CONTRIBUTED TO OUR CONFIDENCE IN THESE PROGRAMS. OUR EFFORTS FOR THE REAUTHORIZATION WILL BE SIMILAR TO OUR APPROACH TO WORK-STUDY--TO CLARIFY THEIR FOCUS AND TO MAKE SURE THEIR IMPACT IS MORE BROADLY FELT ACROSS THE NATION. I SHOULD INDICATE HERE THAT OUR COMMITMENT TO TRIO IS FURTHER HEIGHTENED BY ITS IMPORTANT ROLE IN REALIZING THE MAJOR GOAL OF ACCESS.

- WE ARE STRONGLY COMMITTED TO THE GOAL OF SIGNIFICANTLY INCREASING THE PARTICIPATION OF MINORITIES AND WOMEN IN A BROAD RANGE OF PROFESSIONAL OCCUPATIONS. MINORITIES COMPRISE ABOUT 16 PERCENT OF THE POPULATION YET THEY OBTAIN LESS THAN 6 PERCENT OF ALL DOCTORATE AND PROFESSIONAL DEGREES. WOMEN COMPRISE OVER 50 PERCENT OF THE POPULATION, YET RECEIVE LESS THAN 30% OF THESE DEGREES. ALTHOUGH THE TRIO PROGRAM STRATEGY FOR INCREASING THESE PERCENTAGES EXTENDS DOWN INTO THE JUNIOR AND SENIOR HIGH SCHOOLS AND UNDERGRADUATE INSTITUTIONS--IT MUST ALSO EXTEND INTO THE GRADUATE SCHOOLS. WE

INTEND TO PROPOSE REAUTHORIZATION AND STRENGTHENING OF THE NEW GRADUATE PROFESSIONAL EDUCATION PROGRAM, TO AID IN MEETING THIS GOAL.

O. FINALLY A PROGRAM THAT IS NOT OFTEN CONSIDERED IN THE CONTEXT OF STUDENT ASSISTANCE EFFORTS IS THE TITLE III DEVELOPING INSTITUTIONS PROGRAM. WHILE THIS IMPORTANT LEGISLATION SERVES MANY DIFFERENT PURPOSES, IT HAS ONE VERY SIGNIFICANT FUNCTION THAT DESERVES MENTION IN THIS CONTEXT. IN MY VIEW THIS PROGRAM MUST CONTINUE TO OFFER STRONG ASSISTANCE TO INSTITUTIONS THAT PROVIDE ACCESS TO STUDENTS WHO WOULD OTHERWISE NOT HAVE THE OPPORTUNITY TO ATTEND COLLEGE.

WHETHER FOR REASONS OF ENROLLMENT POLICIES, SCHOOL TRADITION, OR GEOGRAPHICAL LOCATION THESE INSTITUTIONS PLAY A VITAL ROLE IN PROVIDING FULL ACCESS TO QUALIFIED STUDENTS. INSTITUTIONS THAT PROVIDE SUCH A SERVICE--SUCH AS THE HISTORICALLY BLACK COLLEGES--AND THAT HAVE INSUFFICIENT RESOURCES TO MAINTAIN HIGH QUALITY EFFORTS HAVE A LEGITIMATE CLAIM UPON FEDERAL ATTENTION.

ALTHOUGH THE STUDENT AID PROGRAMS THAT I HAVE DISCUSSED TODAY HAVE BY FAR THE LARGEST SHARE OF THE FEDERAL BUDGET IN HIGHER EDUCATION, THEY ARE ONLY A FEW OF THE MANY PROGRAMS IN THE HIGHER EDUCATION ACT. DURING THE NEXT MONTHS WE WILL BE PREPARING PROPOSALS RELATING TO EACH OF THE TITLES OF THE ACT.

AS WE CONSIDER OUR RECOMMENDATIONS IN THESE MANY AREAS WE WILL KEEP IN MIND THE NECESSITY FOR THE HIGHER EDUCATION SECTOR TO REMAIN BOTH STRONG AND VITAL AND INDEPENDENT OF FEDERAL CONTROL.

WE LOOK AT THE PROGRAMS AT A TIME WHEN DEMOGRAPHIC AND SOCIAL PRESSURES ARE BEGINNING TO PLACE GREAT STRAINS ON AMERICA'S INSTITUTIONS OF HIGHER EDUCATION. OVER THE NEXT 11 YEARS, THE DROP IN THE SIZE OF THE 18-24 YEAR AGE GROUP WILL BE ROUGHLY 4.4 MILLION STUDENTS OR 16 PERCENT. ALTHOUGH THE DECLINE IN THIS PRIME COLLEGE-AGE POPULATION MAY, TO SOME EXTENT, BE COMPENSATED BY INCREASED COLLEGE ENROLLMENTS OF OLDER PEOPLE, IT SEEMS CLEAR THAT OVERALL STUDENT ENROLLMENTS WILL SHRINK. THIS SHRINKAGE WILL NOT AFFECT INSTITUTIONS IN A UNIFORM FASHION--MANY STRONG INSTITUTIONS WILL FEEL THE SQUEEZE ONLY SLIGHTLY OR NOT AT ALL. WEAKER INSTITUTIONS, HOWEVER, MAY SUFFER GREATLY. THE RESULT WILL SIMPLY BE THAT SOME WILL HAVE TO CONTRACT THE SCOPE OF THEIR OPERATIONS, OTHERS MAY HAVE TO MERGE WITH SISTER INSTITUTIONS AND STILL OTHERS MAY HAVE TO GO OUT OF BUSINESS.

TOGETHER WITH DEMOGRAPHIC PRESSURES, INSTITUTIONS ARE ALSO FACED WITH OTHER INCREASINGLY EVIDENT BURDENS. INFLATION HAS LED TO CUTBACKS OF MARGINAL BUT CRITICAL EXPENDITURES, SUCH AS BOOKS FOR LIBRARIES. MOREOVER, THE BUILDINGS CREATED IN THE BOOM OF THE LATE 40'S AND EARLY 50'S THAT ALLOWED INSTITUTIONS TO MEET THE NEEDS OF A GREATLY EXPANDED HIGHER EDUCATION CLIENTELE ARE BEGINNING TO REQUIRE GREATLY INCREASED MAINTENANCE AND RENOVATION; THE FEDERAL DEMANDS FOR ACCESS FOR THE HANDICAPPED AND HEALTH AND SAFETY REGULATIONS INCREASE THE NON-INSTRUCTIONAL COST. REBUILDING THE PHYSICAL PLANT OF THE COLLEGES AND UNIVERSITIES IS A NATIONAL PROBLEM OF GREAT CONCERN.

THE POPULATION SHIFTS OF THE PAST 20 YEARS HAVE ADDED YET ANOTHER AREA OF CONCERN IN OUR CONSIDERATION OF THE HIGHER EDUCATION PROGRAMS. THE ENTRANCE INTO THE COLLEGE AND UNIVERSITY TEACHING PROFESSION AND THE RESULTANT TENURE OF LARGE NUMBERS OF PROFESSORS IN THE SIXTIES AND EARLY SEVENTIES THREATEN TO ELIMINATE JOB OPENINGS FOR NEW SCHOLARS IN A VARITY OF IMPORTANT ACADEMIC AREAS.

THE FEDERAL GOVERNMENT CANNOT AND SHOULD NOT ADDRESS ALL OF THE CONSEQUENCES OF THESE INSTITUTIONAL PROBLEMS. THE NATIONAL ROLE WILL NECESSARILY BE LIMITED. SO LONG AS THE OVERALL HIGHER EDUCATION ESTABLISHMENT REMAINS SOUND, WE NEED NOT BE UNDULY CONCERNED ABOUT THE CLOSINGS OR MERGERS OF INDIVIDUAL COLLEGES AND UNIVERSITIES. IT IS NO MORE IN THE INTEREST OF THE FEDERAL GOVERNMENT TO MAINTAIN THROUGH SUBSIDIES AN UNNEEDED COLLEGE THAN IT IS IN THE NATIONAL INTEREST TO PREVENT THE CLOSINGS OF UNNEEDED ELEMENTARY SCHOOLS. SIMILARLY, IT IS NOT IN THE NATIONAL INTEREST TO SUBSIDIZE CONVENTIONAL MAINTENANCE COSTS OF HIGHER EDUCATION INSTITUTIONS.

WHAT SHOULD WE DO IN THE EXTRAORDINARY CIRCUMSTANCE WHERE THE NATIONAL INTEREST IS THREATENED? WE MUST MAKE SURE, FOR EXAMPLE, THAT THE DECLINE IN ENROLLMENTS DOES NOT LEAD TO THE DISAPPEARANCE NATIONALLY OF ENTIRE CURRICULA OR FIELDS OF INQUIRY. SHOULD WE ALSO HAVE THE AUTHORITY TO AID INSTITUTIONS DURING THIS PERIOD OF ADJUSTMENT? FOR EXAMPLE, SHOULD WE HAVE THE AUTHORITY TO UNDERWRITE

EXPERIMENTS TO MAKE COLLEGES AND UNIVERSITIES MORE EFFICIENT THROUGH THE POOLING OF SCHOLARLY RESOURCES--PROFESSORS, LIBRARIES AND PHYSICAL FACILITIES.

TOGETHER WE FACE A GREAT CHALLENGE IN THE CONSIDERATION OF THE REAUTHORIZATION OF THE HIGHER EDUCATION ACT. I HAVE TRIED TO POINT OUT A FEW OF THE PRIMARY ISSUES AND THE DIRECTION OF OUR PRELIMINARY THINKING.

IN CLOSING, I WANT TO REITERATE WHAT I BELIEVE TO BE THE MAJOR THEME OF THIS TESTIMONY. SIMPLY PUT, WE FACE AN EXTRAORDINARY OPPORTUNITY IN AMERICAN HISTORY. THIS NATION IS AT THE THRESHOLD OF ACHIEVING THE GOAL THAT ALL QUALIFIED STUDENTS WILL HAVE THE FINANCIAL MEANS TO OBTAIN A BACHELOR'S DEGREE AND TO GO ON TO PROFESSIONAL OR GRADUATE SCHOOL. MOREOVER, WE ARE MAKING GREAT STRIDES IN ENSURING THAT ACCESS IS BACKED UP BY ESSENTIAL SPECIAL ATTENTION FOR INDIVIDUALS WHO HAVE NOT HAD ENRICHED ELEMENTARY AND SECONDARY SCHOOL OPPORTUNITIES. WE CANNOT LET THIS GOAL ESCAPE US.

YET, WE CANNOT AFFORD TO PURSUE THIS GOAL SINGLEMINDEDLY AND DISREGARD OTHER SIGNIFICANT PROBLEMS FACING INSTITUTIONS IN THE NATION. TO ENSURE ACCESS TO INSTITUTIONS THAT ARE DECLINING IN QUALITY WOULD BE A CRUEL END FOR ALL OF OUR EFFORTS. THE CHALLENGE FOR HIGHER EDUCATION IS TO PROTECT AND ENHANCE QUALITY WHILE SIMULTANEOUSLY ENSURING EQUAL OPPORTUNITY--I BELIEVE THAT TOGETHER WE ARE EQUAL TO THE TASK.

THANK YOU.

Mr. **Ford**. Mr Buchanan.

Mr. **Buchanan**. I would like to compliment the chairman and the staff for this compilation. It should be a most useful body of material. I am not aware of this having been done before. To obtain this information in advance in such a convenient way, at the fingertips of the members, I think is most helpful. I would like to compliment the chairman and the staff for that work.

Secretary **Califano**. May I echo what Mr. Buchanan said. It is enormously helpful to HEW and is an extraordinary document. I have never seen any set of hearings begin with something like that.

Mr. **Ford**. We thank you. The credit goes to the very able staff on both sides of the aisle that this committee enjoys having, and I would like to say to Mr. Buchanan that we appreciate the cooperation we have had from you and your staff in putting this together.

And I think it is only fair to compliment the special interests, if you will, in higher education for the response to our request of last September and giving us something more substantial than the general kinds of recommendations that normally would be forthcoming at this stage of the considerations.

We asked them to be very specific and go through the entire package of legislation, examine it and give us their best judgment with respect to what, if anything, should be changed and how, specifically, it should be changed. One of the salutary results of this has been conversations I have had with representatives of the groups, who tell me for the first time the accumulated genius of their boards of directors has found how difficult it is to write a single paragraph of legislative language as distinguished from a whole volume of legislative suggestions. They now share with us some sense of frustration in trying to write national policy with respect to this important subject.

Mr. Secretary, I am grateful for your personal involvement and commitment to the work of this committee in higher education matters. I am sure you know that every member of this committee enjoyed very much working with you on the development of and ultimately the passage of the Middle-Income Student Assistance Act at a time when the attitude and atmosphere in the country was being portrayed to us in terms of constant negatives that suggested nothing new or better could be done.

No little bit of personal effort was expended on your part. But for your very direct involvement and very aggressive pursuit of the objectives of that legislation with the administration, I am satisfied that it would still be a gleam in the eyes of some people in higher education and not be a reality. We are looking forward to continuing to work with you and your very able staff on the development of this legislation.

It is very clear, from your statement, that you have an understanding of how very complex the task of putting all of the pieces of higher education legislation together in a meaningful way is going to be and how difficult it is going to be even when we come to agreement as to what it is we would like to accomplish.

I doubt that we would have on this committee any real question with the general objectives put forth in your statement, although I suspect that there might be some reactions to the specifics.

And, with that, I would like to get to the members of the committee and hope we can hold to the 5-minute rule at least for the first go-round so everyone will have an opportunity to ask the Secretary questions. I call first on our ranking member, Mr. Brademas.

Mr. **Brademas**. Thank you, Mr. Chairman. At the outset I want to welcome the Secretary to the subcommittee. He is an old friend of mine and I think he is doing a fine job in one of the toughest responsibilities in the Federal Government.

I especially want to compliment you, Mr. Secretary, on the vigor and sensitivity with which you have tackled one of the most widely publicized problems—that is, the matter of default on student loans. I think the record that you have given us here today indicates that you are very sensitive to the problem of abuse and waste in these programs and aware that, if we cannot effectively get a handle on them, we will poison the well for the millions of American students who need help and who want to pay their bills. I think it also reflects a great deal of sensitivity to the question of fiscal restraint, which is very much on the minds of all of us today.

It seems to me the contrast between what you have done in respect to this problem and the last two administrations is the contrast between administering a major program by shoe box, which was apparently the style that the last two administrations utilized, and doing it through computers and bringing the program into the 20th century. So I commend you on that.

I have two questions, Mr. Secretary: One, do you feel that we now have in place basically sufficient legislative authority to provide aid for middle-income students from middle-income families; and, second, in respect to your testimony on page 25, where you spoke about how a lender under the guaranteed student loan program could leverage a small amount of its capital into a very large and more profitable portfolio, do you think that it would be possible to provide adequate incentives to private lenders without, in effect, allowing them to have what would be thought of in some quarters as windfalls? Those are my two questions, Mr. Secretary.

Secretary **Califano**. I think, with respect to the first question, we made enormous strides forward in terms of middle-income programs for students. I think that in the course of looking at this reauthorization there may well be some additional steps that this committee might want to take and the Congress might want to take in that area, I would note, and some modifications that the Congress might want to make in that area.

By the time the committee has to act, next year, we will have, for example, a much better fix on the impact of making a highly subsidized interest rate available to everybody in the country, whether or not money is fungible, and it is the best bargain that anybody with a significant amount of money could have for a student in college. It would make much more sense for that student to borrow regardless of the income of the parents and invest that money in another way than it would not to.

But I think, by and large, what the Congress did last year is a remarkable achievement and will ease a tremendous amount of pressures on the middle-income American citizens, particularly in moving the BEOG program all the way up to $25,000 in terms of family income.

Second, with respect to your second question, in terms of the windfall profits issue, I do think that this committee should look carefully at Sallie Mae and the way it operates and the way the banks relate to Sallie Mae in the context of the cost of these programs and see whether or not there are alternatives that would provide the incentive necessary for private involvement and at the same time not be so costly and not provide the kinds of windfall opportunities that you mention. I think that is worth a hard look this time around.

Mr. FORD. Mr. Buchanan.

Mr. BUCHANAN. Thank you, Mr. Chairman. Mr. Secretary, you certainly raised some interesting proposals for discussion in your preliminary official-nonofficial first blush. Do you have any idea of when we would receive your official proposals. We might decide you will be our leader and follow you down this path and find your proposals are off in some other direction. Do you have any idea as to the time frame?

Secretary CALIFANO. What we would like, Mr. Buchanan, is an opportunity to review material that Mr. Brademas put in the record—we got that just a few days ago—and benefit from some of the hearings you will be having. We will be up here with specific proposals in the course of those hearings on some of the other subjects besides student financial assistance.

We will try to have proposals ready roughly at the time of the hearing and, I hope, in ample time for this committee to review them. And I myself am prepared to come back at the end of your hearings, if the committee so desires, to give specific comment on what has happened during the hearings and what our views are.

Mr. BUCHANAN. Mr. Chairman, I would like to yield the balance of my time. We have with us this morning the ranking member of our full committee, who is ex officio on this subcommittee, Mr. Ashbrook, and the gentleman from Illinois, Mr. Erlenborn, whose role in the student loan program is well known. I have an idea he might have questions. I would like to yield the rest of my time in the first round to him.

Mr. ERLENBORN. I thank my colleague. Mr. Secretary, let me welcome you and thank you for your testimony. Let me start by congratulating you and the Department on the job that you have done to begin to attack the problem of defaults in the student loan programs. I think that that is a necessary underpinning to the continuation or expansion of these programs. Public confidence in our willingness to do the collection job is, I think, very important.

I would like to ask you some questions about the Middle-Income Student Assistance Act that passed last year, particularly in regard to removing the income cap for subsidized loans. Can you tell us what the cost of that will be to the Federal Treasury?

Secretary CALIFANO. We don't know, Mr. Erlenborn. I would note that, to some extent—which is hard to pin down—there has been an increase in participation in that program. I noted in my testimony—I don't know whether I read it or not but it is in my testimony—that in the State of Maryland, for example, doing a quick check in the past week there has been a 73-percent increase in participation in that program. Overall, the increased participation in the program is 34 percent nationally.

I think one of the questions that this committee should address is the extent to which subsidized loans should be made available completely without regard to need, without regard to income, because the money is fungible, as we know.

Mr. ERLENBORN. Along that line, I would like to know, Mr. Secretary: Under the current practice, is it permissible or required for the lending institution to inquire as to the family income? There is a qualification. How are we going to know who is getting the additional money from this greater participation, whether that is going to high-income, middle- or low-income students?

Secretary CALIFANO. We don't know the answer to that. What we have to do is make particular evaluations on some statistically sound sample. That is why I noted thate we do not know and do not attribute the 73-percent increase in Maryland directly to that program.

Mr. ERLENBORN. Is it impossible for you under the law to allow or require the lending institution to inquire as to family income?

Secretary CALIFANO. I don't think I am prohibited under the law but I think, since one of the clear purposes of that change, particularly on the Senate side, was to ease the burden of filing all of that information—also I should note that, once the interest subsidy is given to people with a family income of $40,000 or $50,000, then we are talking about 90-plus percent of the population, the issue being whether or not we should have that massive amount of paper-work when all but 10 percent of the population is eligible.

Second, I gave average costs of institutions in my testimony here. As we know, there are many, many institutions in this country with $6,000, $7,000, indeed breaking $8,000 a year; the true costs of a year of college in some of our finest universities are now in excess of $10,000.

There is a need to solve that liquidity problem for middle income, and a man making even $40,000 a year before taxes has a serious problem coming up with $10,000 after taxes per year for one son.

The way, I think, that we get the information you are after is by devising some kind of a statistically sound sample, not subjecting everybody to all of that paperwork again, and I am prepared to do that. Indeed I think we should do that. Whether we can get you a sample that is that good in the short period of time within which you will be acting on this legislation I don't know but we will do it as promptly as we can if you are interested in it.

Mr. ERLENBORN. Mr. Secretary, getting to Sallie Mae, I read that it was the purpose of these proposals for you to expand slightly the oversight authority you now have for Sallie Mae. Could you cite to me the statutory authority for your oversight of Sallie Mae?

Secretary CALIFANO. We guarantee their financing. I can give you specific statutory citation. I have no desire to become more involved in Sallie Mae. The questions I raise here go to whether or not there should be a Sallie Mae and whether or not the Federal Government should be subsidizing in that way.

We are both guaranteeing the money and subsidizing the interest rate. The original concept of the Congress was that that would become privately financed in time. It is clearly not happening. The original concept of the Congress was that it would be widely available to banks. Of a few thousand banks in GSL programs, Sallie Mae has agreements with about 400 banks.

I think that as part of these hearings the committee should hear from Sallie Mae, should look at everything it has done and see whether or not it is worth the price we are paying for it in terms of taxpayers' money to continue that organization at all or as it is.

Mr. ERLENBORN. Would you tell me how they compare with Fanny Mae and Ginny Mae as to the number of institutions served?

Secretary CALIFANO. I cannot tell you that. We can get that information from HUD and submit it for the record. I just was noting that we guarantee the paper, we pick up defaulted paper. We set the volume for Sallie Mae and the Treasury Department has the authority to audit Sallie Mae.

Mr. ERLENBORN. One last question, Mr. Secretary: I noted that one of your recommendations would be to have loans generated at the educational institution. Does that mean you would like to get the banks out of the business of making loans?

Secretary CALIFANO. No, I don't think so. What I think what we should do is build on the existing system we have. We created Sallie Mae ourselves. My point about Sallie Mae is that it is not doing what it was supposed to do and it has become apparently a relatively expensive middleman, or, as I said, middlewoman.

Mr. ERLENBORN. Expensive in what way since they pay taxes every year on their profit and they have no budget, no appropriation?

Secretary CALIFANO. I think the same work that is being done by Sallie Mae could be——

Mr. ERLENBORN. Could be done by someone getting an appropriation and not paying taxes?

Secretary CALIFANO. Sallie Mae has not achieved any goal that Congress established for it. Maybe you can change it around and make it do that. Second, I think, without a Sallie Mae, probably the banks alone could do the job with incentives that would cost the American taxpayer less money.

When you say they are making a profit, it is the same as appropriating money because it is the American taxpayer who is pouring the dollars in there. Those are Federal bank dollars. Those are Federal subsidies.

Third, it does provide an opportunity for a private lender to make an investment of $100,000 to get a return of $18,000 per year, assuming a large loan volume—year after year—the way it is now structured.

Mr. ERLENBORN. Do you have any example of where that kind of leverage has been misused?

Secretary CALIFANO. Let me see if we can provide some specifics for the record.

Fourth, with a program, as I said, with 8,50[illegible] banks in it, it is an institution that has agreements with 400 banks. In terms of banking generally, my point about student assistance being dealt with at the campus is that, by and large, it is the campus that can best deal with the individual needs of the student and, with a combination of packages that student may need in terms of work-study BEOG's, loans of one kind or another, subsidized and unsubsidized, in terms of collection and that whole process, the campuses have not proved particularly adept at it. It is not within their normal range of business. Banks have not proved particularly adept at it, either.

There is not a lot of incentive when we are standing there guaranteeing the loans, willing to pick up the interest rates. HEW sat for years, the Congress passed laws, 1972, 1976, HEW put no regulations out, there were no standards to guide the universities. The Department in that period of the seventies was terrible. It did not respond to the laws that you were passing here.

Congressman Brademas mentioned shoe boxes. When I became Secretary, in two of the regions in this country the loan accounts were kept in shoe boxes on index cards with hundreds of thousands of clients. It was an inexcusable negligence in terms of administering a program that has taxpayers' dollars.

Mr. ERLENBORN. Mr. Chairman, you have been more than generous with the time. Let me say that if we did move all of the money to the campus we would take away from the consumer, the student, the bond he now has and we would see this being used as a recruiting tool loan.

Mr. FORD. Thank you. I did impose a little bit on the other members by extending your time. I wanted you to have the chance to argue with the Secretary on the two amendments you offered, one in the committee and one on the floor, that didn't pass. I was refreshed by the wisdom demonstrated by the committee and the Congress.

Counsel has just pointed out to me a compilation here. If one looks at section 439, subsection (b)(3), you find this language:

> It is hereby authorized to be appropriated to the Secretary of Health, Education, and Welfare, $5 million for making advances for the purpose of helping to establish the association.

We are now talking about Sallie Mae.

From the very beginning the money was not appropriated to Sallie Mae; it was appropriated to your office for the purpose of establishing it. It is clearly a child of the Secretary of HEW—not this Secretary but a predecessor. Maybe that answers the question as to what authority you might have for overseeing its activities. Mr. Biaggi.

Mr. BIAGGI. Thank you, Mr. Chairman. I would like to congratulate the Secretary for this very comprehensive statement. It is certainly going to be a basis for study and consideration and cooperation of the past few years. I am just delighted that you are addressing yourself in the manner you are, with such vigor, in connection with the default of loans.

That is a national disgrace and, in my judgment, poses a threat to the continuance of the program unless we adjust ourselves, and the reaction on the part of the people of our country has been salutary.

The chairman pointed to your leadership in the Middle-Income Student Assistance Act, where we had great difficulty. I was delighted to be cosponsor of that bill. We knew the controversy and conflict but that in the end, if we didn't have that legislation at the closing, tumultuous days of the Congress, we would not have had anything. Although it was difficult at the outset, it was fortunate we had it. We are grateful to you for your leadership in that regard.

I have a couple of questions. I have a number of them and perhaps I will submit them to you for response in the record, but things appear obvious. You say there are 8,500 banks that would be participating and you say only 400 banks are participating in the Sallie Mae process. Why?

Secretary CALIFANO. It is hard to tell, Mr. Biaggi. Part of it, I am sure, is that you have to buy in with with buying Sallie Mae stock. We have just begun to look at this problem in some depth and I think we will have to submit a more detailed analysis to the committee eventually, but it is clearly not doing what is was designed by Congress to do in the legislation originally passed.

Mr. BIAGGI. On page 12 you pose as a problem that Federal student aid programs should not stimulate increases in the price of higher education. I can see that happening as a matter of course. How do we protect against this?

Secretary CALIFANO. We are not sure. There are two problems. One is the danger of that, and one of our real concerns about the tuition tax credit was: That kind of flat-out equal amount for everybody would raise tuition by $250 or $500. The BEOG program, geared as it is to individual student need, individual family need, provides less than opportunity because it is not across the board a specific amount for each student.

The second kind of problem is the extent to which it is important to maintain the academic quality of institutions as they become more and more aggressive in hunting for students. All you have to do is look in newspapers and you see aggressive advertising of many institutions of higher education to get more students as they become concerned about the decline in the number of 18- to 24-year olds.

I basically raise these as problems and we will do our best to work with the committee to deal with them.

Mr. BIAGGI. Your statement makes reference to the possibility that institutions will go out of business and that those of lesser quality will fall by the wayside. In light of what you just stated, that seems to be a real potential. Do you have a time frame?

Secretary CALIFANO. I think we are talking about over the next 10 years as this 16-percent decline in enrollment begins to take place. Some institutions already have. We can provide numbers for the record. I think it is less than 100 but it is approaching 100 institutions over the past couple of years that have already closed their doors. More and more will have to merge both facilities and plant equipment, all those costs.

I think institutions will have to find out how better to generate income during summer months, for example, and to use that plant all year. But there is no question that this is going to be a problem in this country.

One thing that many institutions are doing—as you yourself are well aware, because you have been such a strong supporter of getting senior citizens more involved in education—is going out for much older groups, offering courses that can enrich the lives of our senior citizens and what have you.

Mr. **Biaggi**. I have one final question and am going to conform to the 5-minute rule. You proposed consolidation and, on its face, it sounds like a practical solution perhaps in the way of administration. How does that facilitate accessibility to loans?

Secretary **Califano**. The consolidation of the loan programs would make the loans easier, more understandable. It is a complicated process now for a student to become involved in the loan process. We think by making it a simpler process—just as we are trying to make the BEOG program a simpler process—that more students will become involved, more students will fill out those forms.

Second, one of the suggestions is that if the student has to go to only one place—the campus does not actually have to make the loan; the bank can continue to make the loan if that is the way one ultimately decides to do it—if a student could go to one place and have his or her needs dealt with—lending needs, grant needs and what have you—and get those decisions made in one place, it would make things a lot easier.

Mr. **Biaggi**. I said that was my last question but a thought occurred to me. In your effort to recover defaulted loans, you implemented the computer system here and elsewhere. When, do you believe, will that whole program be completed?

Secretary **Califano**. For the FISL program, the direct, Government-insured program, we believe that we will effectively eliminate the backlog by the end of 1980. The default rate peaked at 400,000 last spring. We now have the number of defaults in that program down to 300,000. We have had more difficulty with the NDSL program. The number of defaulters continues to rise. It has gone up by 100,000 from roughly 700,000 to 800,000 in the past year and currently almost three-quarters of a billion dollars is in default in that program.

We have now, at the urging of the Senate Appropriations Subcommittee, published a list of the default rates in that program to every institution in the country. We are moving to urge them to turn their loans over to us, let us collect them. We are providing technical assistance to them to collect those loans.

In regard to institutions which do not bring their loan defaults down, we are now prepared to suspend and terminate them from the program if we have to, and I cannot in candor give you a time in which I think we will solve the problems of that program. It is much more difficult.

In about 6 months we should be able to put a timetable in that, I think, will have some validity. But over the long haul, if the experience we have had in the last 2 years is any indication, I think the committee should look at the possibility of taking the campuses out of the business of collecting loans and let somebody else go into that business.

Mr. **Biaggi**. Thank you, Mr. Secretary. Thank you Mr. Chairman.

Mr. **Ford**. If my colleagues will bear with me I would like to make the rotation here for a moment to recognize the chairman of the full committee, who has joined us and is under a time constraint. Chairman Perkins.

Chairman **Perkins**. Thank you, Mr. Chairman. First, Mr. Secretary, let me compliment you on your testimony. I heard the greatest portion of your testimony. I know you have been part of a great move in this country in furthering the welfare of higher education, particularly in the sixties, when we had the great building program. You were most active in that regard as assistant to President Kennedy and President Johnson.

But for all of those building programs in the sixties and early seventies, I don't know what the higher education institutions would have. I don't think we would have had the enrollment we have today in higher education institutions.

I know you are reviewing all of the Federal loan programs in higher education with an eye to simplifying these programs as much as possible. I would hope that in this review you will keep in mind the need of disadvantaged college students and that you will not push those needs aside in an effort to conform several of our present loan programs.

In particular I am concerned about proposals to merge the guaranteed student loan program, where the interest rate for students is now 7 percent, and the national student loan program, where the interest rate is now 3 percent. As I understand some of these merger proposals, the lower NDEA interest rate would be increased to a higher level in order to make that program more similar to the guaranteed student loan program.

I am concerned, though, that in that process of simplification you would be making needy students pay more in interest rates and you might even be precluding those students from being able to afford to attend college. Would you care to comment on those concerns that I have mentioned, Mr. Secretary?

Secretary **Califano**. Mr. Chairman, the fundamental objective should be to provide an opportunity for all young people in this country to have all of the education they can take to develop their talents to the fullest regardless of whatever their means are. That, it seems to me, is the fundamental objective, accompanied by an objective of making sure there are institutions of excellence and quality available to fulfill that.

In any consolidation of the loan programs, there has to be a loan program substantially subsidized to provide for the low-income student to accompany a grant program, and no consolidation that we would propose would eliminate that kind of a program.

One of the things we are thinking about is supplementing that kind of a program with a loan program at or close to the actual rate of interest which would be designed not for the needy student, not for the needy family, but for the family that simply had a temporary liquidity problem and needed some money to get through those 4 years.

There are no circumstances under which I can conceive of our proposing any program that would not fit with the fundamental premise that every American should be able to get all of the information he can take whether he has a dollar or a million dollars.

Chairman **Perkins**. You did not come to any definite conclusion as of now, I take it, as to what the interest rate may be on any merger on a national defense student loan or loan of that comparability.

Secretary **Califano**. No, Mr. Chairman.

Chairman **Perkins**. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Mr. **Ford**. In keeping with our strong interest to protect the minorities of all kinds, I call on the ranking minority member of the full committee, Mr. Ashbrook.

Mr. **Ashbrook**. I listened with great interest to the statement the Secretary made and others have made regarding the great progress you have made in your 2 years, which many of us hoped would be more than just a statement.

I have in my office a file which I would share with you sometime—like Mr. Brademas I go through six administrations—I have statements of all the former Secretaries of HEW after Mrs. Hobby. Each one of them uniformly has made a general characterization of their tenure, whether they be Democrat or Republican.

One, HEW is unmanageable. They really did not feel like they penetrated it. They really did not feel anybody could. I wonder if Joe Califano when he leaves and goes back to law practice or runs for the Senate, whatever he has in mind, is going to join all of those former Secretaries of HEW and say that you preside over a virtually unmanageable institution. You could not even stop them from smoking and so forth.

What do you perceive in your 2 years? Do you think you seriously can manage HEW and do you know what goes on there?

Secretary **Califano**. I think HEW is manageable. I think by and large we have not adequately and imaginatively enough used computer systems on the big pay programs. The biggest program in HEW is the social security program. It is $120 billion of the $200 billion. It operates remarkably well in terms of the welfare programs.

The heir rights and supplemental security program were 6.5 percent when I became Secretary. They are down to 4.5 percent.

In terms of the medicaid program, we are putting in management information systems that are saving literally hundreds of millions of dollars a year.

I think that in the student aid programs with which this committee is most intimately associated we are making progress. Whether the NDSL program were sitting out there as a lonely program or whether it were in HEW, it would be a difficult program to administer because there are thousands of campuses, because we have not by and large provided any technical assistance to them and one must remember, Mr. Ashbrook, the fundamental fact about the student loan program is that nobody asked the students to pay their loans back, and you and I rarely pay bills that we do not get and students did not get those bills.

I think it is inevitably difficult to deal with individuals in groups who are by and large either getting or believe sincerely that they are getting the short end of the fruits of American society and the American economy, whether they are handicapped, whether they are poor, whether they are women, whether they are older, what have you, black, minorities, and it is that political turmoil that creates one kind of problem.

The second kind of problem is the extent to which the Congress makes decisions on behalf of the country that puts HEW into an enormously sensitive area. This is more difficult by far in the health area than in any other area we are involved in.

I speak there of issues like abortion or in vitro fertilization, psychosurgery, all the difficult problems. By and large this committee and the Congress has been very sensitive to issues of freedom, academic freedom and the importance of it, while we provide a lot of funds, keeping our distance, and we get less involved. But I think the place is manageable.

Mr. **Ashbrook**. I follow that theme and I appreciate your response but you talk about Congress creating some problems. Let me take the point of view that you in HEW have created problems under title IX that Congress did not mandate you to create.

I read the specific legislation in 1972 which says, "No person in the United States shall on the basis of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving federal financial assistance."

It seems to me in your administration you have taken the position, rather than talking in terms of education programs receiving Federal assistance, that any program or activity of any institution which receives Federal financial assistance. I sent to your desk two pages which—assuming reasonable conversance with what is going on in HEW are circulating there—asserting the subject of coaches' compensation. Are you privy to that? Do you have anybody from your civil rights division that can comment on that?

Secretary **Califano**. I do not have anyone from the Office for Civil Rights with me but I will be happy to comment on it.

Mr. **Ashbrook**. It interprets section 86.41 (C)(B)(1) to mean coaches of institutions means team and coaches of its women's teams must receive equal pay for equal work in order for students at least of each section to realize equal opportunity in athletics.

It says: "There may be no other objectives or criteria which can be used to satisfy salary differences. Factors which will not be satisfied as different are gate receipts or spectator interests." Is that the kind of simplification you were talking about in your testimony on the kind of help we are giving the American colleges?

I would say as one critic of your testimony there is a lot of comment out there on colleges regarding problems they have which did not seem to be addressed in your testimony, largely because they feel they are problems caused by HEW.

Secretary **Califano**. Mr. Ashbrook, let me go back on title IX. That particular interpretation I would like to submit specific comments for the record on to make sure it is still valid. Congress passed title IX. Congress dealt explicitly with the issue of athletics and title IX. There were attempts on the floor of the Senate to amend that part of title IX.

In 1975 President Ford sent to the Congress detailed pages and pages of regulations with respect to title IX. That put HEW in the business of not only coaches' salaries but a whole host of other explicit ways in which title IX is to be measured.

There it was sent forth by President Ford with his support. The Congress under the law had an opportunity and obligation if it chose to review this. Congress let those regulations take effect.

When I became Secretary, we started looking at title IX and those regulations. I have started hearing one of the things those regulations sent forward by President Ford did was explicitly put HEW in the business of assessing the validity under title IX of dress codes in schools, that is, whether it is discriminatory under title IX to prohibit women from not wearing brassieres, of hair length in schools, that is, whether or not it is discriminatory on the basis of sex to say boys have to have their hair cut to a certain length.

I put out a proposed rule a couple of months ago saying HEW has no business in that business in my judgment and we want to get out of it. We have to amend the regulation. We have to go through a process set up in the law and when we do, President Carter will send to Congress a proposed change in the regulation which is the only way we can change it.

I hope you will support that change in regulations issued by President Ford.

Mr. ASHBROOK. I did not support them; I doubt that I would support it now because I think it is an extension of law. If you go through court cases you have a hard time pointing to any court case that is allowed by the authority that you or the previous Secretary of HEW say they have under title IX.

There is a long series of court cases—one of them bears your name as a matter of fact—where the courts continuously say you do not have that authority. The institutional or infection theory, to take everything in the institution as coming under Federal jurisdiction just because some programs receive Federal assistance.

In the second round I have a few more questions I would like to ask. This is what people in the institutions of higher learning are concerned about. Thank you, Mr. Chairman, for that latitude.

Mr. FORD. I might observe, apropos of your exchange with the Secretary, that I am informed informally that we are to expect a new title IX regulation to hit this committee some time about the middle of next month. I am sure there will be no shortage or lack of sense of urgency on the part of all members who really want to get into the title IX fight so badly.

Mr. Secretary, with all due respect to the example you use of Congress not doing anything with regulations that came up from President Ford, the fact is no one who was here during the title IX fight at any stage really wants to get back into that. That is why we are most anxious to have you handle the hot potatoes on the other side of the street and keep us out of it.

Apparently, he is now going to give us our opportunity to legislate in a responsive fashion.

Mr. Peyser.

Mr. PEYSER. Thank you, Mr. Chairman. Mr. Secretary, I am delighted to see you here this morning. I must admit, Mr. Secretary, before hearing your testimony and also reading it, that the student loan program was in direct line for my monkey wrench award.

I have just removed it from the list based on what you have said this morning, at least for the time being, because obviously it is moving in the direction that it should be moving. I realize what a mammoth job it is to turn this program around.

One of the questions I have deals with the problem of the universities and the colleges who are in this program who have what appears to be a perfectly horrendous record, a terrible record in the collection end of it, even though I realize colleges and universities have little real technical skills in handling this.

But I do recall now in the last several years most major universities have adopted a policy that says that if a student is in debt to the university or the college at time of graduation unless the debts are cleared up, they will not graduate.

Now, I recognize the student loan program, of course, is specifically geared to give the student the opportunity of time to pay off his indebtedness. I am wondering has your Department been talking with the universities on this problem currently as to immediate kinds of actions that can be taken and what their response has been.

Secretary CALIFANO. Mr. Peyser, I want to preface what I say by the fact, the universities, while they had difficulty in this area, have also looked at HEW and wondered why we had not helped them previously.

A couple of examples. This committee did recognize there was a problem brewing out there and passed legislation, if my recollection is right, in 1972 related to this problem. No regulations were put out to implement that legislation until 1976.

For example, it was legislation that authorized the universities in, I think, 1972 to turn over their loans to HEW and have HEW take on the collection process. There was no regulation put out to implement that. We have now done that.

Second, the Congress gave HEW the authority to penalize the universities and colleges that did not collect loans or suspend them or terminate them from the program and HEW never put out any regulations to deal with that part of it.

We never gave any sense that we cared about this problem. Since I have done that, I went to the universities about a year ago with this program. I wrote to every president of the universities to get their attention and they began to get interested in it.

A couple of months ago I met with representatives of the associations of the universities. I went over what we intended to do. I would say they by and large are in agreement. They asked for lists of the universities within their associations along with the default rate so they themselves could contact those universities, and I have written again to the presidents of all the universities. And I think now there is a much greater consciousness and they are moving on this problem.

I think in fairness to them, HEW did not come to this problem with clean hands as it began. But I also would underline the fact in the shortrun I hope one of the things we have done is encourage them to turn that default paper over to us. They lose 10 percent if they do that. We get—90 percent goes back, and also we will now move to provide them with more technical assistance and we have gone around the country in the last year, Mr. Kornfeld and others.

We have held seminars to teach them how to do this. We now should begin to get some of the fruits of this and I hope we will.

Mr. **Peyser**. I am totally supportive of exactly what you are doing and what you are saying, Mr. Secretary. A suggestion, if it is feasible and it would seem to me it can be done.

I would like to suggest that your Department would prepare a list of colleges and universities by congressional districts that would provide the Congressmen in that district with the colleges and universities in default and the amounts and so forth because I have many colleges and universities in my own district who I am working closely with, who I am trying to help in any way I can.

Very frankly, if I knew those college default areas, I would make a point personally, as I think every member of Congress can and in many cases is, at a far more personal level than HEW might, urging they start moving and seeing what their problem is in this problem of collection.

I would personally like to know in my own district what colleges are in default, how much they are in default and that should be available to every member of Congress.

Secretary **Califano**. We can do that, Mr. Peyser. We have prepared a list at the request of the Senate Appropriations Committee of every university and the default rate. We can break that list down by congressional district and give it to this committee or distribute it directly.

Mr. **Peyser**. I would like to suggest both be done. The committee received it but a direct letter from you, Mr. Secretary, to each member saying that you felt they would be interested and whatever they could do within the scope of their area. I think it would help us a great deal when we reach the time of moving ahead on this program.

I thank you, Mr. Chairman.

Mr. **Ford**. Mr. Jeffords.

Mr. **Jeffords**. Thank you, Mr. Chairman.

Mr. Secretary, this committee and the Congress set up a program recognizing that, in most States, the age for majority had been reduced to 18 and we had a group of independent students who had trouble being able to qualify for BEOGS.

I would like to know why the Carter administration is not funding the independent student provisions of the Middle Income Student Assistance Act when authorizing legislation is clear on the subject and key members of the Authorization and Appropriations Committee have indicated to you that it was Congress intent to implement those provisions in fiscal 1980?

Secretary **Califano**. Mr. Jeffords, we are not funding it in fiscal 1979. I think there is funding in fiscal 1980.

The reason we did not fund it with the supplemental in fiscal 1979 was a budgetary decision. It is not because we do not think the program is good. We just made the best judgment we could make on the basis of prioritization. We provide funds for that program in fiscal 1980.

Mr. **Jeffords**. How much do you provide, do you know?

Secretary **Califano**. $135 million which would cover about 58,000 students.

Mr. **Ford**. Would the gentleman yield to me at that point?

Mr. **Jeffords**. I would be glad to.

Mr. **Ford** As frequently happens, Mr. Jeffords is thinking for me. As the chairman I was prepared to ask at the end of the go-around about this very specific problem, and the committee should be aware of the fact that very late we now have coming toward us the new regulations for BEOGS which recognizes—we are told from the unofficial copy we have—the existence of the language that I worked so hard to get in the Middle Income Assistance Act saying that for periods of enrollment beginning on or after August 1979, we would treat the independent students in a more liberal fashion than we had been treating them in the past.

It was a selling point that we used with our colleagues in the House in particular. One of the great advantages of the changes we are making is recognizing that college campuses are no longer inhabited by a majority of 18- to 23-year-old students who are in fact dependents of an existing family.

Now, your regulation that is on its way to us spells out what we said in the act but says notwithstanding that, you are going to delay it until next year. As a lawyer, I have some difficulty with the fact that your shop keeps telling us you cannot follow the Middle Income Student Assistance Act because of language in an appropriations bill that was enacted before the Middle Income Student Assistance Act. Some place along the line, I thought I learned in law school the latter act controlled the former act. But apparently that is not the interpretation that HEW lawyers are putting on it.

There is, Mr. Secretary, considerable concern being expressed to us by the groups who worked very hard to help us pass that legislation about what they perceive to be something less than good faith on the part of the administration not funding the independent student the way we intended to have him funded.

Coming from the kind of area I represent, the independent student is a very real person to us. The factory worker who now attends college because of new programs that have been developed on a full-time basis while working full time in a factory is becoming a very common kind of student in the Detroit area.

When I looked at the makeup of the student body in our community and junior colleges, I was surprised to see the average age now of a student in those institutions. Even though one half of them are on their way to a baccalaureate degree in some other institution, the average age is 30 and the average age of a female in that type of institution is 35.

So, the definitions we have carried in the law with respect to independent students do not make much sense to that kind of student population. More than half of the people attending some kind of postsecondary education program now are beyond the traditional baccalaureate graduation age of 22 and that has been a reality since about 1976 and it keeps increasing in that direction.

The proportion of students beyond the traditional age to the total population is going up constantly. Very frankly, I must tell you—and I am sure Mr. Jeffords will be happy to cosponsor this—I have already instructed the staff as soon as we get the paperwork to prepare a resolution of disapproval for the regulations.

We are going to be engaged in a game of chicken because if we disapprove the regulation, we run the risk of delaying the implementation of the program for the next school year. I am prepared to take that risk if the members of the committee will support me on that.

So, we have to tell you this is sort of anticipatory repudiation. As soon as your regulations get here, we are prepared to hold a meeting and turn them down and send them back to you.

Secretary CALIFANO. I had hoped, Mr. Chairman, that the comments on this subject would end with Mr. Jeffords.

Mr. BUCHANAN. If the gentleman would yield, I am afraid they will not.

Mr. JEFFORDS. Thank you, Mr. Chairman. I certainly will look with interest upon your proposal.

I would like your comments on what would happen, assuming you do implement the independent student provisions, as to whether that is going to complicate the BEOGS applications. I know we had a lot of trouble this past year and I want to know what kind of complications will result in this year and what kind of delays you anticipate.

Secretary CALIFANO. I would like to answer that with more precision for the record. I think it is easier to implement in 1980 than it is to implement in 1979. There is no question about that but that is not the reason why we did not include them in the appropriations legislation. But we are certainly prepared to do it gracefully and efficiently in 1980.

It will be more cumbersome and less graceful in 1979, but I do not think I can tell you it is impossible to do it.

Mr. JEFFORDS. I think you have the views of the chairman on that. Having gone into that area, if I could have additional time, Mr. Chairman, I would like to apprise you in another area, and say it is an area I have been deeply interested in. That is utilization of computers to better control fraud.

I have been interested in food stamp and other areas. Could you give me your thoughts on what impediments you run into in the statutes in trying to more fully implement a program which will give us a better handle on fraud and abuse through computer checks and how we could help you in trying to further your efforts in this area?

Secretary CALIFANO. I think by and large we do not have any statutory problems in this area. We now have access to current addresses through the Internal Revenue Service. We have the social security address system we can use. We do not use it or need it in this program, at least as of this point in time.

I think we have no statutory impediments of any significance. I would like to leave a caveate that I will look at this in a little more detail and submit something to you.

Mr. JEFFORDS. I would appreciate that, Mr. Secretary.

Thank you very much.

Mr. FORD. Mr. Weiss.

Mr. WEISS. Thank you, Mr. Chairman.

Mr. Secretary, I want to start out by commending you for your overview of the situation and for raising some of the hard questions that I think we have to contend with. Let me refer my first question to your testimony at page 41 where you address the question of the title III developing institutions program.

I agree with the general thrust of your statement and the question really is whether or not you think we should be increasing the authorization level for that program given the need and necessity and given the fact it always seems to be unfunded and unauthorized.

Would you be in favor of an authorization increase to, say, $250 or $300 million?

Secretary CALIFANO. Let me say that one of the first things I did when I became Secretary was to move appropriation requests up to the full authorization of that statute. Whether the authorization should go as high as you indicated, I cannot really answer off the top of my head.

There is no question the authorization has to be increased, but I think we have to look at the program. We have to look at the way that legislation is written, the standards that are set in that legislation and recognize that that legislation is now serving a much broader purpose.

I think fundamentally in 1965 title III was regarded as legislation to provide an opportunity to enhance black colleges in the South. The reality of 1979 is that more than half the money does not go there. It goes to a lot of other developing institutions all over the country. In the Midwest, in the East, there are now colleges and institutions with large Hispanic student populations.

So, I think we have to look at that. I think we should look at our experience over the course of that. I think we should look at what those funds are actually used for and what they have achieved over the past several years so in addition to increasing the authorization, I would urge the committee to look at the fundamental legislation itself.

We will have eventually recommendations in this area but I think title III deserves a good look.

Mr. WEISS. Thank you. One other area that we have had a great deal of discussion about especially in light of the discussion on regulations concerns independent students. Generally, in this time of lean and austere budgets that the President has spoken about, you have indicated that you felt that perhaps the Sallie Mae program ought to be eliminated because it serves a middle person function and it adds cost but does not fulfill any of the congressional purposes.

My question is broader than that. You sort of touched on it but you shied away from even a suggestion of full exploration of moving in the direction of eliminating the private sector, the private lending institutions totally from this program.

For example, the testimony you give on page 24 and 23, just to quote a few lines: "At recent interest rates a $1,000 guaranteed student loan will cost the Federal Government over the life of the loan about $700."

Part of the built-in cost is the direct cost or subsidization of the interest while the student is in school. The balance of it is to make it attractive for the lender to come in to a no-risk situation. Should we go by way of eliminating the private sector all together and have it a Government-funded program? The costs will be reduced and the money will go for the purpose we all agree on to make more money available—of what little money is available—to the student who needs it for his educational purposes?

Secretary CALIFANO. I am not prepared to recommend that at this point in time. My inclination is to try and use the private sector to the extent we can, make them more efficient, make it less expensive to do so.

Mr. WEISS. What do they give us that we could not get by eliminating them? How do they advantage the student who needs the money to get an education?

Secretary CALIFANO. They have been by and large administering the long term loan to date. There is another point here. Much of this grew up because of the freeze on budget cost of this program if you put it all in the Federal budget, as distinguished from simply having it on the Federal budget, whatever it takes to subsidize the interest rate.

It is less expensive in that sense—whatever it takes to take care of the risk of picking up the price of the default. And my comments about Sallie Mae go to the issue of whether or not that is not an unnecessary piece of equipment in this process for which we are paying money we do not have to pay. I think the committee ought to look at that.

What you are talking about would ultimately lead to some kind of Federal bank or HEW bank that would be a Federal bank that would finance these loans.

Mr. WEISS. We have a Federal lending institution now which provides the money for Sallie Mae. That same institution you would have provide the money directly for universities or to the students, instead of making that money available indirectly to them through the mechanism of the private banking system.

Secretary CALIFANO. But if we utterly eliminated this whole guarantee process and did it all through the Federal Government, you are then possibly adding several billions of dollars immediately on the Federal budget. I think that may be a more difficult proposition in terms of getting funds out to the students than going through some guarantee program.

I am not dismissing what you are saying, Mr. Weiss. Please understand that.

Mr. WEISS. I appreciate that. I am raising it only in the context of the very thought provoking statement that you made. I think that if we had unlimited amounts of money and used this as a system where everybody gets his piece and remains happy, it would be one thing. It is obvious, however, that where you cut out or issue regulations to save $130 million for budgetary reasons you do not have the money to fund all the programs.

And, if in fact it is costing us money for no good educational or administrative purposes, then I think that we really ought to give a very, very hard look at the way to achieve a loan in an austere budget. This is to take the banks and go into the private profit making sector or we will let you compete with the Government.

But, we are not going to give you additional inducements to come in to a program where you have no risk at all.

Secretary CALIFANO. I hear what you are saying. Let me give you a sense of the problem vis-a-vis just the Federal budget. In the GSL program roughly of $6 billion now out there, $1 billion is Sallie Mae, $5 billion through private capital.

When you talk about the Federal Government taking that over, you talk about the likelihood of taking that $6 billion and putting it directly on the Federal budget. So we are buying something. The question is whether the price we are paying for it is too expensive.

Mr. WEISS. Aren't we kidding ourselves into thinking that is not really costing us any money, when you and I know, whether it is on or off budget, that it is the taxpayers of this country who are paying for it.

Secretary CALIFANO. Yes, but it is one thing to pay currently out of the taxpayers' pocket for the subsidy of the loan, and it is another thing to pay—in some way to put that pot of money in there. One of the reasons I indicated in the statement if it were a permanent pot of money in which you just had $10 billion in and we would finance, we would keep a revolving loan fund; it would not cost any more once we got the $10 billion in, that would be one thing.

But the reality of inflation in college costs is it would not be that. You will have to be continually appropriating additional funds into that process.

Mr. WEISS. I will close with the comment that my hometown and yours got into the trouble it is in right now because the common wisdom was that it was cheaper and easier to borrow and pay back in the future rather than to have budgetary allowances and allocations made at the time you were assuming those obligations.

Ultimately it all ran out and it seems to me the fiscally responsible thing for us to do is to acknowledge what our obligations are. This is preferable to pretending they do not exist because somebody else is lending and we are just paying the interest. Ultimately, we are going to have to pay back the principal as well.

Thank you, Mr. Chairman.

Mr. FORD. Mr. Edwards.

Mr. EDWARDS. Thank you, Mr. Secretary.

In your testimony you talked about the effort that was being made by your office in relation to the direct student loan program—the default rate. In the letters you have written to the heads of the participating institutions in which you indicated some very specific steps you expected them to take to try to correct the default problem, I am curious to know what it is you have spelled out for them, the steps you have asked them to follow, and what kinds of responses you have received from them.

Secretary CALIFANO. First of all, beginning with the 1980-81 school year we will set performance standards for the reduction of default rates. We realize that an institution with an 80-percent default rate cannot get down under 10 percent in a year but they can get down a certain amount.

Second, we will take over the collection of loans that have been in default for more than 2 years and use the same collection techniques we used in FISLP program. We think they will work better than campus-based collection.

We are making it easier for them and encouraging them to get those loans in to us. We have not been successful in the past in doing that. We are saying if we turn the defaulted loans over to us, we will take them out of the loans we use to calculate their default rates, if they turn their loans over to us.

We are providing technical assistance to them and Commissioner Boyer has terminated some institutions from this program, so I think by a combination of carrots and sticks we will make some progress.

Mr. EDWARDS. I was going to ask you about the stick and how well the stick is being wielded. How many schools have been terminated? Do you have those figures?

Secretary CALIFANO. Let me go back and preface this by saying Congress gave us the authority, gave HEW the authority to terminate in 1976—no regulations were put out under that authority until 1977 when we put out some regulations in that area, 1977 and 1978.

Since October 1, 1977 we have, with respect to 20 institutions, taken actions continuing their eligibility under their authority only with certain conditions, special conditions they have to meet. We have eliminated 17 institutions from participation in the student aid program. We have on an emergency basis taken action with respect to another 17 institutions withholding funds for the moment.

During 1978, calendar 1978 we went through about 1,000 audits—that is more than double what we did in the prior year of these institutions—identifying problems in these programs. So that we are moving as fast as we can.

The basic responsibility rests with those universities and colleges and, as I said, they do not traditionally collect money. That is not their bag, if you will. They have not been pressed by HEW to do this until the last year or so. We are now pressing them to do it and we will use the authority Congress has given us to the fullest.

It is inexcusable and when you get the list of default rates and you see some of these institutions with 80-, 90-percent rates of default; there is absolutely no excuse for that.

Mr. EDWARDS. Let me ask you a couple of questions about title III. I know that your office has received a number of letters from both Members of the House and Senate concerned about the way in which the administration has been handling the processing of the proposed regulations for strengthening developing institutions. And I understand the administration has begun processing the grant applications for fiscal year 1979 on the basis of criteria that are established in regulations that have not been finalized yet.

Is it the intention of the administration to try to force the Congress to accept as fait accompli some new regulations which might tend to change the direction of the program?

Secretary CALIFANO. Regulations have been finalized. We made a change in the final regulations in response to the comments we received from the Congress which will provide that institutions which received grants in fiscal year 1978 do not have to meet the new eligibility criteria. This does not mean those institutions are automatically going to get grants. They are only eligible. Their applications will be reviewed along with all others on the basis of a second set of criteria—the funding criteria—which are separate from eligibility.

Mr. **Edwards**. Let me ask you one more question, Mr. Chairman, if I may.

Could you explain how the administration sees the relationship between the compliance activities of the Office of Civil Rights on disestablishment of a dual system of higher education and, on the other hand, the Federal support which goes to many of the traditionally black institutions under the title III program.

It appears that at the same time we are enforcing the State plans which require disestablishment of dual systems, on the other hand, we are financially assisting traditionally black institutions, for example, to continue to develop as traditionally black institutions.

Would you explain how the administration sees those two dovetailing or conflicting or what your policy is in that regard?

Secretary **Califano**. We are under a court order to effect the desegregation of dual systems of education in the South and we are about that. That court order was issued by the district court here in the District of Columbia. There were plans submitted. It was issued in 1972.

There were plans submitted for desegregation of the State subject to that order. Those plans were accepted by HEW. The judge in the district court said the plans were inadequate to effect desegregation. That order was appealed to the—this is before I became Secretary—the Court of Appeals for the District of Columbia which unanimously and en blanc said desegregation.

Brown v. *Board of Education* is 25 years old. That is what we are about doing. Since I have become Secretary I have under that court order issued criteria that we believe will desegregate these institutions. We are in settlement with all States, except North Carolina.

I might say one other thing. The court order specifically says, be attentive to the problems of the traditionally black institutions. The objective of the court order was, as you move blacks into the white institutions and whites into the black institutions, make sure that you do not deny those blacks the opportunity to get a college education in the course of desegregating.

There are two central ways for having one system of education. One is to eliminate the duplication of courses. You have scores of courses in these States in which adjoining schools right next to each other are teaching exactly the same thing and they were set up originally in an unconstitutional manner to perpetuate segregation.

The other manner is to enhance the black institutions so that they will attract white students and these plans in one way or another provide funds for that. In that sense using the title III funds is helpful and can be helpful and they can be used for that purpose, although by and large the States will have to provide the bulk of the funds for this purpose.

There are goals and timetables approved in the plans and approved by the court for integrating blacks into the white institutions. There was a 2-year lagtime approved by the court but beginning next September, there will be goals and timetables for whites going to the black institutions.

So, in the State institutions subject to the court orders distinguished from the private black institutions we hope in 5 years that there will not be traditionally white institutions and traditionally black institutions in those States. There will just be one system of higher education for blacks and whites.

That is the objective of the court order. That is the way the courts read the Constitution and separate and unequal was declared unconstitutional in 1954.

I should note that nearly half of the funding for developing institutions, 46 percent now goes to other than black institutions. Many of these are small colleges in the Midwest and the East.

Mr. **Edwards**. Is it your goal that trends will continue and a smaller portion will continue to go to the all-black institutions until the change is made?

Secretary **Califano**. I do not think the money goes to those institutions now because they are black. It goes to them because they meet the statutory requirements for being a "developing institution" and the eligibility criteria which measure the degree to which they serve disadvantaged students and their financial need.

Again many institutions other than black colleges receive funding. For example, the statute contains a 24-percent set-aside for community colleges most of which are new, and most of which even in the south do not suffer the same vestiges of unconstitutional segregation that the traditional institutions have suffered.

For example, in North Carolina the community college system is not unconstitutionally segregated in terms of the plan they submit, at least as far as we are concerned, and I think in the context of the court order, the 4-year and masters and doctorate programs in the University of North Carolina State system are segregated.

Mr. **Edwards**. Thank you, Mr. Chairman.

Mr. **Ford**. We have revisionists constantly telling us what title III was supposed to do. There are differing versions of what commitments were made by the administration. In a statement that accompanied the Higher Education Act of 1965 when it came up here from President Johnson—which you may have written for all we know—title III is referred to as aid to small colleges. That is all.

Apparently, somebody was talking to someone and led people to believe that that should really read aid to traditionally black colleges. We have people who argue there was some sort of commitment that that was going to be a vehicle for assisting that particular type of institution.

That persists to the extent of having people concerned with those schools believe that the Congress consistently and the administration consistently have looked down on that commitment and not fulfilled it. Or other people read the clear language of the statute and assume we really mean something quite different. Perhaps you can assist us in clarifying the objectives of title III as we are reenacting it so we can put to rest the concern that these diverse groups are constantly expressing to us.

Even if we just found a way to get five times as much money in there we still would not be able to divide it in a way that would make everybody happy. And when you find a program that even money will not solve in terms of getting a compromise, you know you have trouble.

Mr. Ratchford.

Mr. **Ratchford**. Thank you, Mr. Secretary. First I would compliment you on your patience. You have been as patient with the committee as you are in your support of the football teams, such as the Washington Redskins or Holy Cross.

My first comment is that, as a new member of this committee, I will support any efforts you make to simplify the current aid programs as they now exist. Any program that requires 20 pages of simplified explanation to outline for a college freshman, let alone very busy college administrators, is one that needs to be reformed. And your emphasis on reform and simplification certainly should be applauded.

Allow me to address myself to the question of inflation. On page 15 of your testimony, you point out all too well for the committee and the public that from 1967 to 1976, "Average tuition of public institutions rose about 84 percent and private institutions 78 percent. During that period tuition in public 2-year colleges increased by almost 130 percent and public 4-year colleges by 95 percent."

Given this rate of inflation, do you think these aid programs are adequate or are we witnessing a time period in which people are being priced out of higher education because of the inflationary factor that exists?

Secretary **Califano**. I think that by and large, particularly what the Congress did last year in the Middle Income Student Assistant Act does a great deal to deal with the problem of inflation. I personally would not want to see these programs indexed.

I think that it is much better to have the authorizing committee, if you will, take a look, particularly at something like the BEOG Program, and take a look at fashioning its needs every couple of years or what have you. And indeed I think by and large if one looks back over that period of time that the authorizing committees have moved the BEOG contribution faster than the rate of inflation, by and large.

Mr. **Ratchford**. Do you have any sense that there are students in this country today who are academically eligible but not applying to colleges with the support of the aid programs because of the cost of American education?

Secretary **Califano**. I am sure there are individuals like that. But not so much because of the cost as because of their perceived inability or difficulty in getting the funds necessary.

President Girmatti of Yale University spoke at HEW this year, from your State, and he made the point, while Yale has now broken $8,000 as the basic package of room, board and tuition, the fact is that any student that gets into Yale—Yale has been able to put a package together for them of aid and loans and what have you so they could get enough funds to go there, but that thousands of students do not apply because they are either afraid of it or because of the debt with which they will walk out when it is all over.

I think you have to look at it from that second point of view. I think simplification will help a lot. I think your first point, you are right, 20 pages to explain how to fill out the BEOG application is a little heavy.

Mr. **Ratchford**. Mr. Secretary, before other members and other committees of Congress you have called for cost containment in the health and welfare areas. Has there been any thinking within the Department that perhaps it is time to look at cost containment within the higher education area?

Secretary CALIFANO. I thought about it. I have enough problems with the hospitals without taking on the universities. Sure, basically I think they have to look at their fuel consumption, in terms of closing down a couple of weeks in the winter, maybe staying open a little longer in the spring. A lot of plant and equipment should be used in the summertime.

If you look at the private schools here in Washington, the secondary schools are more adept at using their plant and equipment in the summertime, turning their athletics field over into clubs, turning tennis courts into clubs, golf courses into clubs they charge people for and get revenue on.

They are using their buildings on Saturdays and Sundays where there is no class room for the community. Sure, they have to look harder at that. There is some encouragement in legislation in the past.

When you get to the libraries provision of this legislation, I think we ought to look at providing strong incentives for pooling some of these libraries. I think you can pool courses and departments. I think there is a lot more that can be done than they are doing but I do not have any master plan for them to do it.

I would hope they themselves would to it, and increasingly they are. I think it was Sacred Heart in Newton that merged with Boston College. Boston College found a law school using Newton as the place and it turned into a major coeducational institution and was saved in the process. I think lots of institutions have to look at that.

Mr. RATCHFORD. I am aware of the reaction to some of the cost containment programs that we are both supporting. I have hospital administrators in hospitals that are adjacent to college campuses saying, "Why us?" The college campus has the same problem with utilities, the same problem with fuel costs, the same problem with insurance costs and yet is not subject to containment whereas the legislation which we both support would direct itself to containment in the hospital and welfare area, major elements of your three-pronged program in HEW.

A final question. Do you feel that these seven aid programs are geared toward the student that Congressman Ford talked about who is so prevalent in our colleges and universities today, the part-time student who is there because he or she cannot afford full-time enrollment, the student looking at a second career, the 65-year-old student who is going back to college to improve the quality of life of his or her remaining years?

I taught these students at the college level in the State of Connecticut and I just wondered if you feel that these students are being adequately provided for under the current categories of aid available.

Secretary CALIFANO. I think we can do more in that area. It is hard for me to suggest that we do more at this point in time with no money in the budget for the independent student which was the first step the committee suggested, but I think probably when you look at this over the long haul of the reauthorization, we should look and see whether there are other things we can do in response to that clientele.

Mr. **Ratchford**. Again, I thank you, Mr. Secretary.

Mr. **Ford**. When you find yourself riding the crest of the wave of popularity with the university presidents because of what the title IX regulation is creating for you, you might relax that and suggest cost containment to them. That will get their minds off of title IX.

Mr. Tauke.

Mr. **Tauke**. Thank you, Mr. Chairman.

Mr. Secretary, it seems customary this morning to begin by complimenting you or the Department. Since my tenure here is relatively limited, I really do not feel I can extend those comments with any credibility.

Secretary **Califano**. We will take them anyway.

Mr. **Tauke**. So, let me just say it is a pleasure to meet you, and I do not envy your position at all.

First, I would like to make a few general observations and seek from you a few general observations about the testimony that you offered this morning. You began talking about the constricted world of the 1980's and then you spoke in some detail about the demographic and social problems that face higher education in the 1980's.

But I did not see any correlation between that recognition of the problems and the information that is contained in this document. Now, if this is a program, an unofficial program for higher education at the Federal level during the coming year, how does this recognize new realities of decreasing students and excessive institutional capacity?

Secretary **Califano**. My testimony today is not meant to be a program in this area. It is meant to throw out some suggestions, to lay out as best as we can what we see as the problems from our point of view of administering the student loan programs, gaps we see in them. We will have a specific program.

Indeed I personally believe that one of the fundamental problems that it is imperative to deal with and that this provides us an opportunity to deal with is the problem of the deterioration of the research plant equipment at our 15 or 20 major research universities. And I do not attempt to deal with that issue in this legislation.

But in terms of the excellence of the Nation, in terms of our capacity to solve some of our problems, we have to deal with that. So, I do not propose this testimony as a program. I propose it simply to raise some issues, to lay out some facts and get us all started thinking about it.

We have not had a chance, for example, or the time to analyze with care the recommendations that this committee has pulled together in the three volumes that Congressman Brademas put in the record. We will be up with specific detailed suggestions when we get a chance to look at that.

Mr. **Tauke**. Mr. Secretary, you have raised questions. I feel this document should be made part of some kind of overall program to deal in some way with these questions. Now, it seems to me that what this does is suggest to higher education in America that what we are attempting to do is to develop programs to attract enough students to enter into higher education so we can fill our excess capacity.

Is that one of the goals of the administration?

Secretary CALIFANO. No; I do not think so. I think the fundamental goal is to make sure that every student, every young person, every individual, young or middle aged or old, has the opportunity to take all the education they can handle, that their minds can handle so they can develop their talents to the fullest.

I do not think we should keep inevitably increasing the population of people in universities and colleges. I wrote a book in 1969 about the student revolution, one of the points which was there may well be too many people in college that did not belong in college.

But I do think that in terms of socializing and civilizing a democracy there are still thousands of students who are not in higher education who should have access to it. They may choose to do something else but they do not quite have access and we can have programs that do that.

There are other possibilities. If we have that kind of excess planning capacity, for example, one can argue we should take advantage of it in terms of the rest of the world. Why shouldn't we have people from developing countries coming over from all over the world to this country and studying at our universities and bringing back to their countries in addition to whatever skills they bring in science or medicine or accounting or computers, also a sense of what it is like to be in a democratic society.

Some sense of democratic values, democratic ethics and that is one way to use some of this excess plant capacity. There are lots of ways.

Mr. TAUKE. Do I understand at some time in the future that the Department will be submitting to this committee some ideas or suggestions, some plan for the future, to deal with this problem?

Secretary CALIFANO. We are full of plans for the future and we will submit as much of those plans as OMB will let us send to the committee.

Mr. TAUKE. On another question, I was interested in your comments about the effort to end discrimination on the basis of race and sex in public institutions of higher education. What do you see as the future of private institutions that are all women or all black?

Secretary CALIFANO. What I was talking about, Mr. Tauke, was the court order. We are under court order with respect to certain states in the South directed at their institutions of public education. Ultimately we should have an integrated system of education at every level in every state in this country.

My reference was not that we do not think private institutions should be desegregated. We obviously do. We hold it as a Nation, as a constitutional value and a moral imperative, but the court order to which Mr. Edwards was referring, which I was referring to, dealt only with public institutions of higher education in certain States in the South. It does not even cover all the States in the South.

Mr. TAUKE. I think we are not coming from the same wave length. I happen to have in my district an all-female, private college. It wants to survive. I believe this type of college performs a legitimate service. It offers a unique quality of education from a unique perspective, and there is considerable concern that because of the efforts of the Federal Government as a whole and your Department in particular that its future days are numbered.

Secretary **Califano**. Their future days are not numbered as far as I am concerned and you can go back and tell them that. I was referring largely to racial desegregation in the South. There is nothing that prohibits having all boys schools or all girls schools in title IX, and I think Congress gives us enough to do in title IX without our coming up and asking you to change it.

Mr. **Tauke**. I have one more observation or question. This is perhaps because of my background as a State legislator. As you know, a number of States, including my own, have developed various good programs that provide tuition grant assistance to students in private colleges and institutions.

A problem is developing though. In my own State of Iowa, the percentage of students who come from our State in each institution is increasing dramatically, which has some good points obviously. But this tends to create a student body that is homogeneous, rather than heterogeneous, that is perhaps a little parochial.

Is there any consideration being given to providing some incentive to the States to extend their tuition grant programs to students from outside their States?

Secretary **Califano**. We have not given any consideration to that but I will be happy to look at it and consider it explicitly in forming our recommendations.

Mr. **Tauke**. Thank you, Mr. Secretary.

Mr. **Ford**. Mr. Biaggi.

Mr. **Biaggi**. One question, Mr. Secretary. I know you stated that your statement was a preliminary direction dealing with primary issues. Are you in a position to state whether or not the administration supports the urban grant universities bill?

Secretary **Califano**. I think we have to give—I cannot give you a formal administration position on that legislation. My own personal view is that, with the permission to give you more sophisticated analysis of that particular piece of legislation, that it makes a lot of sense to do something like that. But I think to give you an administration position I have to go back and provide it.

Mr. **Biaggi**. Thank you, Mr. Chairman.

Mr. **Ford**. I thank you for the questions. I hope your staff has noted that in the last Congress originally every member of this committee cosponsored the legislation and its principal cosponsor is Mr. Buchanan, sitting on my right. When you find something that is as well thought of in Birmingham, Alabama and Detroit, Michigan as this program is, you better grab it and run with it. This is popular.

This is one of the things we hope to be able to help you with that is going to bring people to love us instead of giving us difficulty.

We have held the Secretary beyond the time scheduled for his departure to meet with someone on the other end of the street. And I appreciate very much, Mr. Secretary, your taking the time to answer the questions the committee had for you.

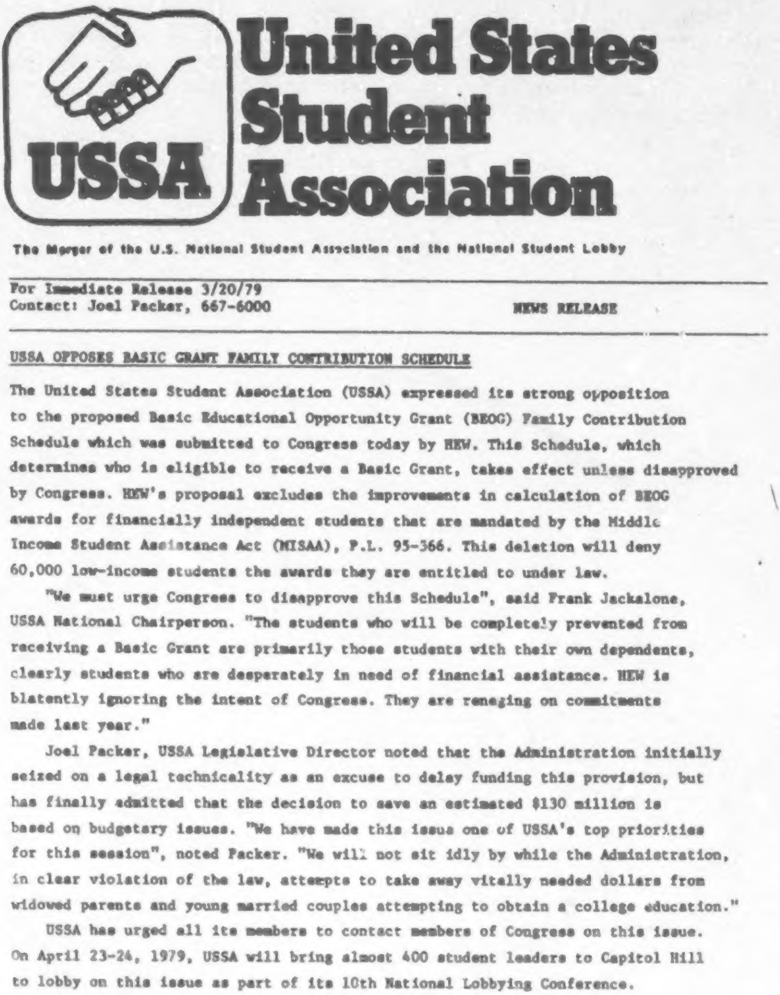
I would ask the members of the committee who have additional questions, since we are cutting this off, to give them to the respective staff and we will transmit them to the Secretary for answering and then insert them in the record after your testimony.

Thank you very much.

Mr. BUCHANAN. Mr. Chairman, I also ask permission to insert in the record the response of the United States Student Association to your independent study, just to end on a nice sound.

Mr. FORD. Without objection, it is so ordered.

[The information to be supplied follows:]



United States Student Association

USSA

The Merger of the U.S. National Student Association and the National Student Lobby

For Immediate Release 3/20/79
Contact: Joel Packer, 667-6000

NEWS RELEASE

USSA OPPOSES BASIC GRANT FAMILY CONTRIBUTION SCHEDULE

The United States Student Association (USSA) expressed its strong opposition to the proposed Basic Educational Opportunity Grant (BEOG) Family Contribution Schedule which was submitted to Congress today by HEW. This Schedule, which determines who is eligible to receive a Basic Grant, takes effect unless disapproved by Congress. HEW's proposal excludes the improvements in calculation of BEOG awards for financially independent students that are mandated by the Middle Income Student Assistance Act (MISAA), P.L. 95-566. This deletion will deny 60,000 low-income students the awards they are entitled to under law.

"We must urge Congress to disapprove this Schedule", said Frank Jackalone, USSA National Chairperson. "The students who will be completely prevented from receiving a Basic Grant are primarily those students with their own dependents, clearly students who are desperately in need of financial assistance. HEW is blatently ignoring the intent of Congress. They are reneging on commitments made last year."

Joel Packer, USSA Legislative Director noted that the Administration initially seized on a legal technicality as an excuse to delay funding this provision, but has finally admitted that the decision to save an estimated $130 million is based on budgetary issues. "We have made this issue one of USSA's top priorities for this session", noted Packer. "We will not sit idly by while the Administration, in clear violation of the law, attempts to take away vitally needed dollars from widowed parents and young married couples attempting to obtain a college education."

USSA has urged all its members to contact members of Congress on this issue. On April 23-24, 1979, USSA will bring almost 400 student leaders to Capitol Hill to lobby on this issue as part of its 10th National Lobbying Conference.

Mr. Ford. The committee is in recess.

[Whereupon, at 12:30 p.m., the committee was recessed subject to the call of the Chair.]

REAUTHORIZATION OF THE HIGHER EDUCATION ACT AND RELATED MEASURES

Part 1—Strengthening Developing Institutions

WEDNESDAY, MARCH 28, 1979

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTSECONDARY EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 9:30 a.m., pursuant to call, in room 2175, Rayburn House Office Building, Hon. William D. Ford (chairman of the subcommittee) presiding.

Members present: Representatives Ford, Peyser, Weiss, Tauke, Buchanan, and Williams.

Staff present: Thomas R. Wolanin, staff director; Patricia Rissler, deputy staff director; William Clohan, minority assistant education counsel; Jennifer Vance, minority legislative associate.

Mr. FORD. The Subcommittee on Postsecondary Education will come to order for the purpose of continuing hearings on the reauthorization of the Higher Education Act of 1965, and related measures.

Our hearing today, and our hearing tomorrow, will consider the program for strengthening developing institutions, title III of the Higher Education Act. This is one of the original programs authorized in the Higher Education Act of 1965, and nearly $1 billion has been appropriated for this program since it was first created.

The current fiscal year, the appropriation is $120 million which is the full authorization. There are, I know, many questions and concerns over the impact and effectiveness of the program as well as suggestions for improving its performance and sharpening its focus.

On November 2, 1978, the Department of Health, Education, and Welfare published proposed new regulations that would dramatically overhaul the operation of the program. These regulations have not yet been finalized, but I am sure that they will be the subject of comment by our witnesses.

[Regulations appear at end of hearing.]

On February 13, 1979, the General Accounting Office issued a report to the Congress entitled, "Federal Programs to Strengthen Developing Institutions of Higher Education."

Our witnesses today will include representatives of the General Accounting Office, who will summarize their report and respond to questions about it. I might note that copies of the report have been made available to the members of the committee prior to today's hearing.

We also have representatives from the National Center for Educational Statistics, who will comment on the new methodology proposed in the regulations for determining whether an institution of higher education is a developing institutions. representatives from several of the major consortia which provide assistance to developing institutions, and representatives of institutions of higher education which have participated in the title III program.

I would at this time, without objection, ask unanimous consent that the written statements on title III submitted by the witnesses, be inserted in full at this point in the record, so that we can proceed to hear from them in any manner that is most convenient.

The first panel is from the General Accounting Office, Mr. Gregory Ahart, Director, Human Resources Division; and Ed Niemi, Supervisory Auditor; Marie Eldridge and Rolf Wulfsberg from the National Center for Educational Statistics.

[Prepared statement of Gregory Ahart follows:]

STATEMENT OF GREGORY J. AHART, DIRECTOR, HUMAN RESOURCES DIVISION

Mr. Chairman and members of the subcommittee, I am pleased to appear here today to discuss our February 13, 1979, report to the Congress on the Strengthening Developing Institutions of Higher Education Program. The program is authorized by title III of the Higher Education Act of 1965, as amended.

We made the review at Office of Education (OE) headquarters in Washington, D.C., 19 colleges and universities, and 7 assisting agencies. We found that serious questions remain about who the program should be assisting, how it should be organized, and where it is going. This is our second report to the Congress on the Developing Institutions Program. In the first review, which was completed in 1975, and again in this later review, we could not evaluate the success of the program because OE had not defined a "developing institution," nor had it determined when an institution would be considered developed. This report points out that there is a need for OE to:

Clarify the program's direction;

Reaffirm grantee selection procedures;

Strengthen controls over the expenditure of funds;

Better plan and account for services under funded projects; and

Develop effective performance evaluation procedures.

NEED TO CLARIFY PROGRAM DIRECTION

Basic to each of the problems we found with the Developing Institutions Program is that it lacks direction. Prior to the program's inception there was concern over the inability to define a developing institution. The Congress included general eligibility requirements in title III of the Higher Education Act of 1965 and authorized the Commissioner of Education to issue specific eligibility criteria through program regulations.

OE issued the first regulations for the program in May 1974—more than 8 years after passage of the law. After 12 years of operation and more than $728 million in grants, fundamental questions about the Developing Institutions Program are largely unanswered:

What is a developing institution and how does such a school reach the mainstream of higher education?

Which institutions should receive priority?

How long will title III funds be necessary?

Although we identified projects which provided valuable services to institutions, no institutions have been identified as having reached the mainstream of higher education as a result of their participation in the program. It is virtually impossible to determine the program's impact on moving schools toward the mainstream of American higher education. Of the 244 institutions which received grants in academic year 1977-78, 120 had been in the program for at least 8 years.

NEED TO REAFFIRM GRANTEE SELECTION PROCEDURES

Because so many institutions have been determined to be eligible for title III assistance, OE has been unable to fund all applications. Therefore, OE must be selective in making grant awards.

However, OE's procedures for selecting institutions have been inconsistently applied, and determinations have been subjective. Because institutions which had participated in the program for several years received preference, institutions with the most critical needs or the greatest opportunity for advancement might not have been served. Institutions receiving grants might have become dependent on this support rather than seek ways to replace this money.

Since 1973, the Developing Institutions Program has been divided into two programs—Basic and Advanced. OE established the Advanced program for more highly developed institutions which were close to, but not in, the mainstream of higher education. These schools were expected to reach a stage where they would no longer need title III assistance. Under the Basic program, OE offered grants to less developed schools to improve their overall quality.

Technical review

OE uses field readers and OE officials in the technical review of funding applications. For fiscal year 1977, field reader reviews of applications resulted in inconsistent and inconclusive recommendations for final funding and many readers had conflicts of interest based on OE procedures. Twenty-four percent of the Basic program field readers worked for institutions which applied for Basic program funding. Staff from OE's title III program reviewed applications for Basic and Advanced programs, contrary to OE's procedures.

For these reasons, the value of the field reader recommendations to OE was questionable. For the technical review process for fiscal year 1977 grants, for example:

Not all Advanced program applications received field reader reviews.

Eighteen of the 410 Basic applications came from institutions which had already been recommended for funding under the Advanced program.

Field readers' recommended funding levels varied widely for the same application.

Final funding determinations

After the field reader reviews, OE's Basic and Advanced program staffs separately determined which projects would be funded. Title III awards for fiscal year 1977 revealed many inconsistencies in OE's application of procedures for selecting institutions for funding. These inconsistencies resulted in questionable awards. This was especially true in the Basic program, which followed a predetermined funding strategy.

This funding strategy set standards for distributing funds among colleges representing the various ethnic and racial populations in American higher education.

The inconsistent application of the selection procedures shows up in an analysis of the final Basic program grantees for fiscal year 1977:

Many institutions which received large grants received low funding recommendations from field readers.

Many institutions which received comparatively high field reader ratings did not receive grants.

Institutions in a single large, multifunction consortium arrangement of predominantly black, 4-year colleges received the largest grants.

Generally, funding was based on amounts awarded institutions in the previous year.

The inconsistent application of selection procedures in the Basic program raised questions about whether: (1) Institutions were treated equally in the competitive process; and (2) the most deserving institutions received grants.

NEED TO STRENGTHEN CONTROLS OVER FUNDS

Title [illegible] grants are intended to assist developing institutions which are struggling for survival for financial and other reasons. However, adequate financial controls for the program have not been established to ensure maximum benefits from grants.

OE has not provided grantee institutions with adequate guidance for administering Federal funds and has not established postaward procedures to review expenditures under title III grants. This led to mismanagement of Federal resources by institutions. At many institutions we visited, the institutions' control over title III expenditures did not meet standards set by the law and the general grant provisions. The major problems identified were: (1) Inadequate support for grantees payments to assisting agencies; (2) questionable charges to grants; (3) carrying over grant funds beyond authorized grant periods without OE approval; and (4) inaccurate and misleading reporting of financial activities to OE.

Insufficient controls over payments to assisting agencies

Assisting agencies (service providers) have become deeply involved in the Developing Institutions Program. Basic program grantees use assisting agencies under each arrangement, and some Basic program consortia are controlled almost entirely by assisting agencies. The agencies determine what services will be offered, which schools will be invited as members, and which schools will be coordinating institutions. Basic schools we visited did not select assisting agencies competitively, even though this was encouraged by OE regulations.

Title III grantees have not adequately carried out their responsibility before making payments to assisting agencies. Grantees have functioned mainly as channels for title III funds, and often based payments to assisting agencies on budgeted projections rather than actual agency cost records and performance.

We found numerous examples of deficient monitoring of assisting agency activities by grantees.

An institution paid an assisting agency about $580,000, but it had no documentation to show how the funds were used or what benefits were received. A school official could not adequately explain what the agency was doing with the money and admitted that the grantee school had received no benefits from the arrangement.

Based on documentation at one assisting agency, many institutions received only a portion of the services to which they were entitled.

An institution paid three assisting agencies $82,000 without verifying that the agencies incurred the reimbursed costs.

Many of the problems in monitoring payments to assisting agencies exist because OE has not defined the role of assisting agencies under title III and the way coordinating institutions and other developing institutions should interact with them. Grantee institutions did not understand their responsibilities for managing funds paid to assisting agencies.

In many cases, charges by institutions and assisting agencies appeared to violate OE's regulations. The most common examples of this were charges for personnel costs (salaries and fringe benefits) and consultants—normally two of the largest items budgeted under a title III grant. We found that charges to title III were not always consistent with individuals' participation in the applicable projects, consultants were paid up to $300 a day without OE's approval of payments exceeding $100 per day, and funds earmarked for consultants were used for other purposes.

While these were the most common types of questionable items, there were others.

Interest earned on title III funds was not returned to the Treasury, as required by the provisions.

An agency used title III funds to offset deficits in other Federal and non-Federal programs.

An assisting agency used title III funds to pay a portion of the costs to relocate its headquarters in another city.

We found no cases where OE had collected excess funds or reduced the following year's grants because funds were available at the end of the grant period.

Postaward monitoring

Problems with OE's postaward monitoring activities included the following:

Grantee evaluation reports normally did not evaluate funding controls.

There was little OE followup on reports submitted by institutions.

Site visits were too few and normally did not adequately consider funding controls.

Audit exceptions were not properly resolved, and assisting agencies have not been audited on a regular basis.

NEED TO PLAN AND ACCOUNT FOR SERVICES UNDER TITLE III PROJECTS

Almost any type of project can be funded under title III if it shows promise for developing the participating institutions. While this flexibility enabled developing institutions to design individualized programs, it also led to a number of problems, especially in the Basic program. Many institutions entered into cooperative arrangements without proper consideration of how these projects would help them reach overall development objectives.

The Advanced program placed heavy emphasis on the need for comprehensive planning of an institution's title III activities and, although the institutions were not always successful in meeting their objectives, their programs did seem to be well organized and geared toward achieving some ultimate developmental goals.

Some Basic program projects were not designed to assist the institutions which received title III funds, and some arrangements resulted in payments for nontitle III activities. Part of the reason for this was the substantial influence of assisting agencies in the direction that the title III Basic program would take. Because some institutions participate in two or more arrangements with a similar focus it is difficult to ensure that duplicate payments are not made to assisting agencies.

Because most Basic program institutions we visited did not properly plan their development goals, they could not show what additional services were needed or how long title III funding would be necessary.

NEED TO DEVELOP EFFECTIVE PERFORMANCE EVALUATION PROCEDURES

The Education Amendments of 1972 required title III applicants to "set forth policies and procedures for the evaluation of the effectiveness of the project or activity in accomplishing its purpose." OE had not implemented adequate procedures for conducting external evaluations in the Basic program, and evaluations in the Advanced program could also be improved. Evaluations were often not objective, complete, or timely and did not provide sufficient feedback on progress. Therefore, OE was unable to use the evaluations to determine how an institution was progressing toward its long-range development goals.

Each Basic program institution decided for itself how the external evaluation would be performed. This led to problems, including: (1) Selection of review team members with vested interests in the activities they were evaluating; (2) incomplete and inconclusive reporting; and (3) inability of OE to use the reports in administering the Basic program.

Unlike the single evaluations made in the Basic program, the Advanced program provided for evaluations on three levels. Although we noted instances of: (1) Evaluators having vested interests; and (2) incomplete and inconclusive reporting, information submitted to OE provided a better basis for evaluating institution performance.

Site visits

Occasionally, OE conducted site visits to developing institutions. There were no formal procedures for selecting institutions for visits, and the number of visits fluctuated yearly, depending on the availability of staff and travel funds. During the 1977-78 project year, OE staff made visits to about 17 percent of all schools participating in the program during this period.

Site visit reports for 1977-78 did not give proper coverage to institutions' administration of grant funds, nor did they appraise institutions' progression toward their long-range development objectives. There was no followup by OE staff on issues identified during the site visits, and the reports were untimely.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE, AND COMMENTS ON REVISED REGULATIONS

Our report contained recommendations to the Secretary of Health, Education, and Welfare to revise or strengthen criteria for determining eligibility, selecting program participants, establishing institution responsibilities in administering grants, and evaluating institution performance. Our recommendations are included as an attachment to this statement.

We believe that it is important that we say something about OE's November 1978 proposed regulations for the Developing Institutions Program. We agree that the proposed regulations might result in some improvements in the administration of the title III program. However, we are not sure that these revised regulations will be more adequate than the regulations in effect when we made our review in assuring that those institutions intended to benefit by the law receive title III support. It seems to us that, under the proposed regulations, many institutions which are providing valuable services and are struggling for survival might be ruled ineligible for the program.

RECOMMENDATIONS TO THE CONGRESS

The operating problems and the more basic problem of adequately defining a "developing institution" are so fundamental and pervasive that we believe the program as presently structured is largely unworkable.

Therefore, the Congress should first determine whether or not the title III program should be continued. If it determines that the program should be continued, it should clarify the program's purpose by providing as much specific additional guidance as it can to OE concerning the types of institutions which the program should serve and the ultimate goals that should be achieved by these institutions. The Congress should also determine whether the funding strategies and other criteria, including those in the proposed new regulations, are appropriate and in keeping with the intent of the law.

Mr. Chairman, that concludes our statement. We will be happy to answer any questions that you or the other Subcommittee members may have.

U.S. General Accounting Office, recommendations to the Secretary of Health, Education, and Welfare, concerning the strengthening developing institutions of higher education program

NEED TO CLARIFY PROGRAM DIRECTION

We recommend that the Secretary of HEW direct the Commissioner of Education to:

Establish eligibility criteria that would take into consideration the intent of the Congress in continuing the program and that: (1) Will identify those institutions intended to be benefitted by the law and any amendments thereto; and (2) can be used to determine what these institutions require to reach developed status.

Consistently apply those criteria in selecting institutions for program participation.

Use the refined criteria as standards for measuring the progress of funded institutions in meeting specific step by step categories of development which would move them toward their ultimate goals.

Also, the Commissioner should be instructed to emphasize the need for institutions to plan their activities so that, ultimately, title III assistance is no longer necessary. OE needs to establish more specific categories of development for each institution so that OE can closely monitor the progress of each institution to insure that it is moving consistently toward the mainstream of higher education.

The Secretary of HEW should oversee the implementation of these recommendations to assure that the direction of the title III program and the roles and responsibilities of participating institutions, assisting agencies, and OE are clearly defined.

NEED TO REAFFIRM GRANTEE SELECTION PROCEDURES

We recommend that the Secretary of HEW direct the Commissioner of Education to reaffirm the need to adhere to title III program grantee selection procedures which provide for consistent treatment of applications (giving appropriate consideration to factors related to institution eligibility). This should result in grants being awarded to the most deserving institutions, based on eligibility determinations, and alleviate the current subjectivity. Grants should be used for projects aimed at uplifting institutions in those areas which cause them to be eligible for title III assistance.

Also, the Secretary should direct the Commissioner to give special attention to improving the field reader process by:

Appropriately screening field readers to insure that they do not have conflicts of interest,

Giving appropriate written clearance if field readers with possible conflicts of interest must be used—this practice should be allowed only in rare circumstances, and

Providing appropriate guidance to field readers so that greater reliance can be placed on their recommendations.

Deviations from recommendations of field readers and program staff should be fully justified and explained.

NEED TO STRENGTHEN CONTROLS OVER FUNDS

We recommend that the Secretary of HEW direct the Commissioner of Education to provide grantee institutions with more specific guidance for the administration of title III funds. This guidance should include detailed instructions for:

determining what types of costs may be charged against title III grants;

Maintaining financial records to support program expenditures, including payments to consultants and assisting agency personnel assigned to title III projects;

Establishing, maintaining, and terminating relationships with assisting agencies;

Returning to the Treasury funds not obligated by the end of the grant period and funds which have been allowed to accumulate at assisting agencies; and

Providing detailed reports to OE on grant activities.

Additionally, the Commissioner should reemphasize the need for identifying potential problem institutions before grants are awarded. This would necessitate a careful review of an institution's performance under previously awarded Federal (both title III and other) grants. OE's procedures for identifying and monitoring "high-risk" grantees should be used as the basis for providing such institutions with badly needed assistance in effectively and efficiently using Federal funds.

Also, the Commissioner should be directed to strengthen postaward monitoring of the financial activities of institutions (especially those identified as high risks) receiving title III grants. This could be done through: (1) Verification of information provided on periodic financial reports; and (2) a systematic site visitation program which includes the use of grants specialists to review the procedures followed by selected institutions in administering program funds.

The Secretary should also direct the Commissioner to implement existing procedures for the proper resolution of audit exceptions including those discussed in our report and other exceptions brought to OE's attention by the audit agency.

In addition, the HEW Audit Agency should schedule audits of each assisting agency which receives substantial Federal support to determine whether it is adhering to the General Provisions for Office of Education Programs, (45 C.F.R., part 100) and HEW regulations for the title III program.

NEED TO PLAN AND ACCOUNT FOR SERVICES UNDER TITLE III PROJECTS

We recommend that the Secretary of HEW direct the Commissioner of Education to:

Require each institution provided title III assistance to develop a comprehensive development plan.

Insure that the projects funded at individual institutions are necessary, compatible, and consistent with long-range development goals.

Evaluate the role of assisting agencies used in the title III program.

Enforce stricter controls over the use of assisting agencies under title III grants. Greater use of competitive selections of agencies should be encouraged. The services to be provided to the institutions should be clearly defined in a formal agreement showing how the services will move the school toward the mainstream, and final payments to the agency should be made only after the agreed-upon services have been provided. Coordinating institutions should require assisting agencies to submit periodic reports describing the services they have provided, and these reports should be available to OE for review. The coordinating institutions should also be required to periodically check to see that each institution that is part of an agreement with an assisting agency has received its agreed-upon services.

NEED TO DEVELOP EFFECTIVE PERFORMANCE EVALUATION PROCEDURES

We recommend that the Secretary of HEW direct the Commissioner of Education to provide title III grantees with more specific guidelines on requirements for conducting program evaluations. These guidelines should insure that

The evaluation will include an appraisal of the success of each project funded under title III;

an evaluation will be conducted at least annually by qualified individuals with no vested interests in the institution's program;

the evaluation will include a determination of the adequacy of: (1) The institution's administration of grant funds, including necessary monitoring, support for expenditures, and prior authorizations for changes; and (2) the performance of assisting agencies, including services to be provided to specific institutions, agreements with consultants, and assignment of personnel to work with developing institutions; and

the evaluation will provide an appraisal of the progress being made by the institution toward meeting development goals.

After these improvements in the evaluation process have been implemented, the Commissioner of Education should be directed to design a better system for monitoring external evaluation reports. This will require more feedback to the institutions on the success of their programs and more followup on potential problem areas identified during the evaluations. The Commissioner should also be directed to improve the site visitation program for title III. This should include the development of the following:

Periodic coverage of all institutions receiving grants. High-risk grantees and schools which have had previous problems in administering grants should be the first schools visited.

Uniform guidelines for conducting site visits, including determination of the adequacy of institutions' financial operations under title III grants, to insure comprehensive and uniform coverage at each location visited.

A standardized reporting format to allow comparisons of the performance of institutions.

A system for providing feedback to the institutions and followup action on problems identified during the visits.

STATEMENT OF GREGORY AHART, DIRECTOR, HUMAN RESOURCES DIVISION, ACCOMPANIED BY ED NIEMI, SUPERVISORY AUDITOR, GENERAL ACCOUNTING OFFICE

Mr. AHART. I am Mr. Ahart from the General Accounting Office, and I will hit the highlights of my statement, which will take about 10 minutes, with your permission, Mr. Chairman.

We are pleased to be here today to discuss our report, which you referred to, on the program authorized by title III of the Higher Education Act. This is our second report on the developing institutions program. In the first review, on which we reported in 1975, and again in this review, we could not evaluate the success of the program, because OE had not defined a developing institution, nor had it determined when an institution would be considered developed.

There is a need for OE to clarify the program's direction, to reaffirm grantee selection procedures, to strengthen the control over the expenditure of funds, to better plan and account for services under funded projects, and finally to develop effective performance evaluation procedures.

After 12 years of operation, and more than $728 million in grants, fundamental questions about the developing institutions program are largely unanswered. What is a developing institution? And how does such a school reach the mainstream of higher education?

Which institutions should receive priority? How long will title III funds be necessary?

Although we identified projects which provided valuable services to institutions, no institutions have been identified as having reached the mainstream of higher education as a result of their participation in the program. Of the 244 institutions which received grants in academic year 1977-78, 120 have been in the program for at least 8 years.

Because so many institutions have been determined eligible for title III assistance, OE must be selective in making grant awards. However, OE's procedures for selecting institutions have been inconsistently applied, and determinations have been largely subjective. Because institutions which have participated in the program for several years receive preference, these institutions might have become dependent upon the support, rather than seek ways to replace the title III money.

Since 1973, the program has been divided into two programs: the advanced program, for more highly developed institutions, and the basic program, for less developed institutions.

Title III awards for fiscal year 1977 revealed many inconsistencies in OE's application of procedures for selecting institutions for funding. These inconsistencies resulted in questionable awards. This is especially true in the basic program, which followed a predetermined funding strategy which set standards for distributing funds among colleges representing the various ethnic and racial populations in American higher education.

The inconsistent application of selection procedures in the basic program raised questions whether, first, institutions were treated equally in the competitive process and, second, whether the most deserving institutions receive grants.

Adequate financial controls for the program have not been established to insure maximum benefits from grants. In many institutions we visited, control over title III expenditures did not meet standards set by the law, and by the general grant provisions. The major problems identified were: (1) Inadequate support for grantees' payments to assisting agencies; (2) Questionable charges to grants; (3) Carrying over grant funds beyond authorized grant periods without OE approval; and (4) Finally, inaccurate and misleading reporting of financial activities to the Office of Education.

We found numerous examples of deficient monitoring of assisting agency activities by grantees. For example, one institution paid an assisting agency about $580,000, but it had no documentation to show how the funds were used, or what benefits were received.

Many of the problems in monitoring payments to assisting agencies exist because the Office of Education has not defined the role of assisting agencies under title III, and the way coordinating institutions and other developing institutions should interact with them.

Grantee institutions did not understand the responsibilities for managing funds paid to assisting agencies. In many cases, charges by institutions and assisting agencies appeared to violate Office of Education regulations. The most common example of this were charges for personnel costs and consultants.

We found that the charges were not always consistent with individuals' participation in applicable projects. Consultants were paid up to $300 a day without OE's approval of payments exceeding $100. Funds earmarked for consultants were used for other purposes.

We found no cases where OE had collected excess funds, or reduced the following year's grant because funds were available at the end of the grant period.

Problems with OE's postaward monitoring activities included the following: (1) Grantee evaluation reports normally did not evaluate funding controls; (2) There was little OE followup on reports submitted by institutions; (3) Site visits were too few, and normally did not adequately consider funding controls; and (4) Audit exceptions were not properly resolved, and assisting agencies had not been audited on a regular basis.

Almost any type of project can be funded under title III, if it shows promise for developing the participating institution. This has led to a number of problems, especially in the basic program. Many institutions entered into cooperative arrangements without proper consideration of how these projects would help them reach overall development objectives.

The advanced program placed heavy emphasis on the need for comprehensive planning, and although not always successful in meeting their objectives, the programs did seem to be well organized and geared toward achieving some ultimate developmental goals.

Some basic program projects were not designed to assist the institutions which received title III funds. Some arrangements resulted in payments for non-title III activities.

The Education Amendments of 1972 required title III applicants to set forth policies and procedures for the evaluation of the effectiveness of the project or activity in accomplishing its purpose. OE had not implemented adequate procedures for conducting external evaluations in the basic program, and evaluations in the advanced program could also be improved.

OE was unable to use the evaluations to determine how an institution was progressing toward its long-range developmental goals.

Occasionally, OE conducted site visits to developing institutions. There were no formal procedures for selecting institutions for visits, and the number of visits fluctuated yearly depending upon the availability of staff and travel funds.

Site visit reports for 1977-78 did not give proper coverage to institutions' administration of grant funds, nor did they appraise institutions' progression toward their long-range development objectives.

There was no followup by OE on issues identified during the site visits, and the reports were not timely.

Our report contained a number of recommendations to the Secretary of HEW to revise or strengthen criteria for determining eligibility; selecting program participants; establishing institutional responsibilities in administering grants; and evaluating institution performance.

Our recommendations are included in an attachment to the statement. I might mention that the Secretary of HEW did concur in all of these recommendations.

We believe that it is important that we say something about OE's November 1978 proposed regulations for the developing institutions program. We agree that the proposed regulations might result in some improvements in the administration of the program. However, we are not sure that these revised regulations will be more adequate than the regulations in effect when we made our review in assuring that those institutions intended to benefit by the law receive title III support.

It seems to us that under the proposed regulations many institutions which are providing valuable services, and are struggling for survival, might be ruled ineligible to participate in the program.

Our report also contained suggestions to the Congress. The operating problems, and the more basic problem of adequately defining a developing institution are so fundamental and pervasive that we believe the program as presently structured is largely unworkable.

We, accordingly, believe that the Congress should first determine whether or not the title III program should be continued. If it does determine that the program should be continued, we believe the Congress should clarify the program's purpose by providing as much specific additional guidance as it can to the Office of Education concerning the types of institutions which the program should serve, and the ultimate goals that should be achieved by these institutions.

This completes the highlights of my statement, Mr. Chairman. We would be pleased to respond to any questions.

Mr. **Ford**. Thank you very much.

Just as a matter of curiosity, I glanced at the front of the report. Where did the request for this audit on your part come from?

Mr. **Ahart**. This was a self-initiated study, Mr. Chairman. We did not have a congressional request for it. As you probably are aware, about one-third of the work of the General Accounting Office is done at the request of committees of the Congress, or by statutory direction, and the other approximately two-thirds is done on our own motion. This was a self-initiated study.

Mr. **Ford**. How did it happen to come up again at this time for study?

Mr. **Ahart**. We had made a study in 1974, and issued a report in 1975. That was our first study of the program, although it had been in operation for a number of years at that time. We found a number of problems with it. We made a number of recommendations to the Office of Education, and the most difficult problem we faced at that time was that we could not get a good picture of what the Congress intended the program to achieve, and OE had not developed more specific criteria as to what institutions were developing institutions, and what the program was intending to achieve.

So the study that we have just completed and reported on in February was a followup on the earlier study, as well as a more indepth review of some of the problems which we had come up with in the earlier study.

Mr. **Ford**. In either of your studies, were you able to find any consistent folklore about what we meant in 1965 by this type of an institution?

Mr. **Ahart**. Well, we struggled with it. We don't really have a good idea at this point in time just what was intended to be accomplished by the program. The criteria under which the institutions are selected for funding were not too bad in the previous regulations, we believe, except that they were applied so inconsistently and there was a lot of overruling of the findings of the readers of the proposals in rating the proposals against those criteria.

We don't have any good feel from the Office of Education, and they cannot tell us how they would judge whether a developing institution has become developed. So it strikes us, in a large part, the program is assisting some fairly arbitrarily selected institutions in more of a general aid type of situation, as opposed to reaching toward some specific purpose and some goal that the individual institutions are attempting to achieve, or are expected to achieve.

Mr. **Ford**. Was this arbitrary selection process you have described present and commented on in your report of 1975?

Mr. **Ahart**. We did comment on the criteria problem—the eligibility criteria problem—and on the objectives problem in the 1975 report.

Mr. **Ford**. Would your report pinpoint examples of what you considered arbitrary determinations of eligibility?

Mr. **Ahart**. We comment on this in the February 1975 report. In the 1975 report we actually did a statistical analysis to try to find what factors, what characteristics of institutions, seemed to have some correlation to the institutions selected for participation. To my recollection, we came up with only two factors. No. 1, whether the institution had received money the year before, which was a very important factor; secondly, to some degree, the racial composition of the student body was a factor.

But those, I think, were the only two factors that seemed to have any statistical significance in our analysis.

Mr. FORD. How is the racial composition of the student body weighted into the calculations to determine whether or not a school is going to receive aid?

Mr. AHART. I would have to ask Mr. Niemi to talk more specifically on what the current regulations provide in that regard. I don't believe that it is taken directly into consideration, but more subjectively into consideration. Is that right?

Mr. NIEMI. Yes. Under the basic program, at the time we were conducting our field work, there was a predetermined strategy under which OE would designate, for example, that predominantly black institutions would get 49 percent of the funding.

Under the revised regulations, the basic grant eligibility criteria, the predominantly black institutions would have a high number of students eligible for such grants.

Mr. FORD. What is a predominantly black institution?

Mr. NIEMI. Historically, the student body would be predominantly black students, and the institution so designated. I believe there are approximately 100 such institutions. This is a designation that has been generally recognized to apply to such schools.

Mr. FORD. Did you find that HEW actually was using some sort of a numeration that selected out schools as predominantly black institutions?

You said that 49 percent of the money was set aside for predominantly black institutions.

Mr. NIEMI. That is correct. That is for the basic program.

Mr. FORD. Do they have some kind of a listing where they made a determination as to which schools fell into that category?

Mr. NIEMI. I believe there are, as I said before, approximately 100 institutions that would fit that criteria, and these are generally recognized throughout the educational community. This would be somewhat similar to the primarily Native American institutions, and also the Spanish speaking institutions, which were specifically mentioned in the title III legislation.

They allow certain leeway in terms of eligibility for such institutions.

Mr. FORD. Thank you very much.

Mr. Buchanan?

Mr. Buchanan. Thank you, Mr. Chairman.

I know that GAO provides each agency an opportunity to respond to your findings before publishing the report. Our information is that you sent a draft report of the title III audit to the Office of Education on September 19, 1978, and asked OE to submit their departmental comments by October 13, 1978. It was December 13, as our information has it, when you received OE's response.

Could you detail the exchange between GAO and OE during that 1½-month period and share with us what reasons OE gave for this slowness in response, if my information is correct?

Mr. **Ahart**. First of all, your dates are correct, Mr. Buchanan. I would have to turn to Mr. Niemi to give you a chronology or some feel for the kind of exchanges we had between ourselves and the Office of Education during that period.

Mr. **Niemi**. When the draft report was first submitted to the HEW and Office of Education for comment, it was our understanding at that time that this was going to be sort of an example of how cooperative the Office of Education would be.

We had the assurances of the Office of Education's liaison office that they would be tracking this, and that it would be a high priority item in the office. We periodically touched base with the Office of Education's liaison to get a status report.

Essentially, it came down to the fact that they wanted the response to be as accurate and as encompassing as possible, and it was just going to take them that much time to complete their response and they just could not meet the deadline.

Mr. **Buchanan**. We will be hearing later this morning from a panel of executive directors from the three largest consortium arrangements funded under the title III program. You were very specific about some of the abuses that exist in those arrangements. Let me ask you several questions about that.

Many of the consortia contract for services with assisting agencies, to aid in the development of technical assistance for the participating institutions. Who is responsible for paying for these services?

Mr. **Niemi**. Under the funding arrangements for the program, there has to be under those consortia type arrangements, a coordinating institution, which is responsible for the funding and the payment to the assisting agencies. Each such arrangement would have a coordinating institution.

Mr. **Buchanan**. Are the payments made by the consortium office, the grantee institution, or by a third entity?

Mr. **Niemi**. The grantee institution.

Mr. **Buchanan**. There have been some concerns that some individuals are serving as consultants on more than one of the assisting agencies contracted out by any one consortium. Was there any evidence of salary irregularities which might indicate that an individual was receiving a salary under more than one of the services offered to the institution?

Mr. **Niemi**. It was not specifically that type of situation but the problem we had was associating the amount of time that individual consultants and even members of the assisting agencies actually devoted to title III activities.

Mr. **Buchanan**. Could you give us some idea of levels of salary that might be involved, if you have any information on that?

Mr. **Niemi**. As far as salaries devoted to title III specifically, salaries from $28,000 to $40,000 were not uncommon.

Mr. **Buchanan**. Would this be per annum?

Mr. **Niemi**. Yes.

Mr. **Buchanan**. Do you have any idea how much time this represented? Is this anything close to full time or can you ascertain?

Mr. **Niemi**. We had specific instances where it was not full time, where we can document that it was not full time. Instances where individuals were actually out of the country while drawing their salaries from title III.

Mr. AHART. One of the examples that we gave in the report, Mr. Buchanan, was a case where a man was being paid a title III salary of about $40,000 a year, and also had a salary from other sources of about $30,000. So, obviously, the $40,000 was not for a full-time kind of a situation.

I think that this is also the example where the gentleman spent quite a bit of time out of the country, or perhaps that is a different example.

Mr. NIEMI. It is a different example.

Mr. BUCHANAN. Could you describe what you found to be the relationship between the consortium and the coordinating or grantee institution?

For example, the grant award is made to the institution—perhaps you have just answered this—who is responsible for managing those funds, the agency or the consortium office, or this third entity that you mentioned?

Mr. NIEMI. It is the grantee institution who has the responsibility, and is supposed to account for the funds.

Mr. BUCHANAN. Who chooses what services will be offered?

Mr. NIEMI. Well, this varies under each arrangement. It is intended that the grantee institution would select what services they would need to develop. But in practice, some of the assisting agencies, it appeared to us, were dictating what services would be provided, and which institutions would be allowed to participate in the consortium.

Mr. BUCHANAN. The size of the consortium grants for the three largest consortia are considerable. What were GAO's findings with regard to accountability for funds within the consortium; were the records accurately and sufficiently detailed to show where all the dollars were going, for example?

Mr. NIEMI. No. Again, it varied, but there were several cases where the documentation was inadequate.

Mr. BUCHANAN. Were budgets easy to follow, or did you have difficulty pinning down what happened to the money?

Mr. NIEMI. The budgeted expenditures, as far as where the money was intended to go, were detailed. But as far as the assisting agency and the consortium were concerned we did experience certain problems in identifying where the money actually went.

Mr. BUCHANAN. Could you give us any specific examples of the problems in this area?

Mr. AHART. Let us go to Mr. John Crowder, who is on my staff and more familiar with the details on this.

Mr. CROWDER. Mr. Chairman, to respond to your question, at one assisting agency involved as part of a consortium, we did identify one budget wherein an individual was to receive a consulting fee. We subsequently found out that the consultant was, in fact, the chairman of the board of that assisting agency.

Therefore, the consulting fee was not paid in accordance with the original budget.

Mr. BUCHANAN. Thank you. If, for the record, you can cite any other comparable examples, we would appreciate it very much

Mr. **Ahart**. We would be happy to do that. As I pointed out in my statement, we did have a lot of trouble in finding out whether the people that were being paid with title III funds were actually spending their time on title III activities, because of inadequate records.

[Information submitted follows:]

Examples of Problems on Identifying How Title III Funds Were Used

As stated on page 37 of our February 1979 report, an institution paid an assisting agency about $580,000 in title III funds over a 2-year period. The school paid the agency the budgeted amount each year, but had no documentation to show how the funds were used or what benefits were received.

In another case, which is cited on page 38 of our February 1979 report, one assisting agency received $38,800 from 21 institutions under bilateral arrangements during 1976-77. While the agency received the fully budgeted amount from each grantee, based on our review of assisting agency documentation many of the institutions received only a portion of the services to which they were entitled. Assisting agency officials told us that they did not provide documentation on actual expenditures because none of the institutions requested it.

In a third case, which is not included in our report, an assisting agency received about $1.2 million in 1976-77 under title III arrangements involving several grantee institutions. The assisting agency provided detailed expense reports to only one grantee which accounted for $90,000 of the title III expenses. For the remaining $1.1 million, the assisting agency either did not provide any expense reports to the grantees or provided only periodic summary reports which did not give sufficient information on how the funds were used.

In another case, which is cited on page 38 of our report, an institution paid three assisting agencies a total of $82,000 under its multiyear Advanced grant through June 1976. The payments were made in response to billings submitted by the assisting agencies during the year. In no case did the institution attempt to verify that the assisting agencies actually incurred the costs for which they were reimbursed.

Mr. **Buchanan**. Thank you, Mr. Chairman.

Mr. **Ford**. Apropos of that, your statement mentioned on page 8, an institution paid an assisting agency about $580,000, but it had no documentation to show how the funds were used, or what benefits were received. A school official could not adequately explain what the agency was doing with the money, and admitted that the grantee school had received no benefits from the arrangement. Would you submit for the record the details of that incident that you are describing there?

Mr. **Ahart**. We would be happy to, Mr. Chairman.

[Information submitted follows:]

Details on the Payment of $580,000 Without Documenting Services Provided or Benefits Received

In fiscal year 1975 the Office of Education (OE) approved a title III Basic Institutional Development Program arrangement which was to improve undergraduate instruction in predominantly black institutions through faculty development. The arrangement provided for a center of advanced study and research for about 20 post-doctoral scholars. The scholars were to come from institutions with high percentages of black and other minority students.

This arrangement is discussed on page 37 of our report as an example of title III grantees' not adequately carrying out their responsibility before making payments to assisting agencies. The report points out that:

"An institution paid an assisting agency about $580,000 in title III Basic funds under a bilateral arrangement over a 2-year period. The assisting agency was to use the funds to operate a center to improve undergraduate instruction in predominantly black institutions through faculty development. The school paid the agency the approved budget amount in each year, but had no documentation to show how the funds were used or what benefits were received. A school official could not adequately explain what the agency was doing with the money and admitted that the grantee school had received no benefits from the arrangement. We later found that the agency was using the funds to enable college and university faculty to carry on independent research projects. Examples of research projects undertaken by faculty attending the center, many of whom were from Advanced program institutions and nondeveloping institutions, included completion of a multivolume history of the black struggle for freedom in the United States, research into the 'life and art of black women blues singers of the 1920s as a creative response to racism,' and 'analysis and texture of black life in an urban environment.' The grantee school, which received funds under the Basic program, never sent a participant to the center."

In addition, we found that high ranking OE officials overruled staff judgements and recommendations in funding this arrangement for fiscal year 1977. The justifications for the final approval decision were not contained in OE's official files but were inserted later after our written inquiry to the Commissioner of Education. A chronology of the revisions and approval process for fiscal year 1977 funding for this arrangement follows:

Field readers and OE's project officer did not recommend the arrangement for funding for fiscal year 1977. Some of the reader comments were that: (1) This program was totally unacceptable by title III guidelines; (2) title III is not designed to support independent studies for scholars; and (3) additional evaluation should be requested before authorizing funding.

In September 1977, OE title III staff subsequently visited the center and found that: (1) The center's director could not provide drafts or finished products of studies undertaken since fiscal year 1975; (2) few projects appeared directly related to the interests of developing institutions, and the majority were far removed from their interests; (3) the center's expenditures were underproductive for both the developing institutions and the title III program; and (4) few potential fellows were interested in researching subjects restricted or peculiar to the concerns of developing institutions.

On November 23, 1977, an approval document was submitted through the office of OE's Deputy Commissioner Designate for the Bureau of Higher and Continuing Education. A grant of $300,000 was approved for continued support of the arrangement for fiscal year 1977. However, there was no written support in OE's official files to justify the approval.

In December 1977, we asked the Commissioner of Education to provide comments on this matter so that we could fully consider them in our review.

In January 1978, the Acting Deputy Commissioner of Higher and Continuing Education provided the Acting Director of OE's Grants and Procurement Management Division a written justification for the award. He said that in reviewing the grant it was determined that OE's original negotiation with the coordinating institution and the assisting agency called for a 3-year project period, of which 1977-78 would be the last. He said also that due to an administrative error, this commitment was not known until it was brought to the attention of the OE staff by the institution and the center. Therefore, OE honored the commitment, he said.

In February 1978, the Commissioner of Education told us that the November approval was not made until after the matter was discussed with his office. He also told us that the justification provided by the Acting Deputy Commissioner for Higher and Continuing Education should have been made part of the official records and that this situation had been corrected.

OE's initial notification of grant award for the project shows that OE was not committed to fund the project for three years. The notification stated, in part, that:

"This grant supports the first budget period of a project period approved for three years. Upon showing satisfactory progress toward achievement of the goals of the project and availability of funds, the U.S. Office of Education, at its option, will consider the continued funding of the project for any period remaining of the total approved project period. * * *"

Mr. FORD. That is sort of startling, to lose $580,000 and that anybody has the gall to say, "We don't know what happened to it," since 1973, is kind of surprising to me.

It should be noted for the record that it is not just the GAO that has difficulty coming to grips with the definitions of the institutions to be served by this title. One of the disappointments we had, after having solicited all of the major higher education groups in the country, to go through the Higher Education of 1965 title by title, and give us suggestions as to how to improve the legislation, is that nobody is willing to tell us how to define the institutions intended to be covered in this section. Although it is interesting to note, and the recommendations are now public record and a part of this record, that groups of higher education, or groups concerned with higher education, are perfectly willing to recommend to us that we fund title III at a higher, a substantially higher level.

The only suggestion that we found any place about bringing focus to the definition of the institutions to be served, in spite of two consecutive GAO report, which say that you as auditors cannot find out from the Office of Education what kind of institutions are really supposed to be eligible, is from groups representing Hispanics who would like to see a definition that included schools, because of where they are located—to wit, rural settings—second, because of the nature of the student body—to wit, disadvantaged students coming from an environment where English is not the primary language.

At least they are up front with it. I have been hearing ever since 1965 that something that is not written into the law, and something that was not written in President Johnson's message when he transmitted the bill to us for action and something that has never been written into the regulations, does, in fact, direct that something like the 49-percent set-aside for "traditional black colleges" was understood by someone.

I find it difficult to deal with a legislative history that no one has ever been willing to put down in writing, or in a speech on the floor, or in a statement in this committee. If that, in fact, is a criterion that Congress is to adopt, I am left a little bit concerned about how in 14 years no one has ever been willing to put it down and say so.

Could you, at this time, with any degree of certainty, tell this committee what percentage of the funds that have been allocated in recent years under title III, taking any year, have, in fact, been used for educational purposes in institutions that are struggling for survival, and out of the mainstream?

Mr. AHART. We do not have data on that, if your question is: How much for direct educational services as opposed to other kinds of services. I am not sure that I understand the thrust of your question.

Mr. FORD. Your report seems to indicate that you had some difficulty determining where the money goes, and how it is spent. Normally, if you were looking at one of these programs, you would have some item for us as to how much of it is spent for the purpose set forth in the act, and how much of it gets bled off by administrative costs and studies, and what-have-you.

Can you do that with respect to title III?

Mr. AHART. I am not sure that we can, Mr. Chairman. But I might point out that the act and the regulations are broad enough that the funds are available to do, as I mention in the statement, almost any kind of a project, so long as somebody decides that that would further the goals of the institution.

So it can be used for the development of management information systems, for example, or accounting systems, financial management, curriculum development, faculty salaries, emeritus professors, and student exchange. Just almost anything that some would perceive as helping the strength of that institution would be eligible for funding.

So there is just an awful lot of different types of things and I am not sure what kind of criteria you would use to sort them out as to whether they were or were not within the very broad framework of the law and the regulations.

Mr. **Ford**. What you are really saying is that under the present law, and the present regulations, whoever is administering the program for the Office of Education virtually has no legal restraint with respect to who they select as grantees.

Mr. **Ahart**. That is basically the situation.

Mr. **Ford**. So an audit is really kind of meaningless in terms of compliance with the purpose of the law.

Mr. **Ahart**. As auditors, we struggle with this on occasion. We struggled very hard with respect to this particular program, both in an earlier review and in this review, because we cannot get a very good fix as to what the purpose of the program is, who it is supposed to help, whether or not the institutions that it is supposed to help are getting helped, and what they were trying to be helped to do.

With that lack of criteria, it is very difficult to audit the program, and that is why we have come back to the Congress now in this most recent report, and suggested that because the definitional problem of who it was trying to help, and the operating problems—no one really knows what they are trying to accomplish—are so pervasive and fundamental to the program that Congress really ought to think about whether this program should continue. If it should continue, the Congress should try to give as much legislative direction to the Office of Education as possible as to what the Congress really intends for them to try to accomplish.

Mr. **Ford**. Now, we have had a set-aside in the law for community and junior colleges. We have a recommendation to increase that set-aside, which we expected. But how, mechanically, do they deal with the 24-percent set-aside for community colleges and the 49-percent set-aside for predominantly black colleges. What are the mechanics that divide that up, and how do they pass out the rest of the money?

Mr. **Niemi**. I am not completely clear on the question, but in terms of the community and junior colleges, I believe that this is the first money to come out of the pot. There are two distinct determinations for the 4-year and the 2-year institutions.

We found, generally, that they were meeting the requirements for the junior and community colleges. This was taken into consideration initially in the funding determinations.

Mr. **Ford**. But in meeting it, does the 24 percent, in fact, become a lid as well as a floor? They take the 24-percent setaside, and then forget all other applications for community and junior colleges?

Mr. **Niemi**. It is at least 24 percent, and I think that it is running somewhat higher than the 24 percent for the past couple of years.

Mr. **Ford**. Mr. Peyser?

Mr. **Peyser**. Thank you, Mr. Chairman.

I appreciate my colleague from New York letting me speak before him this morning, as I have another committee meeting. But something is deeply concerning me over this report.

I have in front of me the October 31 report of 1975, dealing with the same subject matter, basically. I have a couple of questions.

One, as I look through this report, I certainly see as damning a report of this whole program as the report that you have presently given us. It indicates at the very end that the Secretary of HEW is most anxious to make changes in the Office of Education, and they are going to move ahead.

Two questions—one, based on the report that you have just filed, do you feel that the Secretary or the Office of Education has acted since the 1975 report was issued?

Mr. **Ahart**. Basically, no, although as you indicated, the letter from the Secretary of HEW at the time indicated concurrence with our recommendations. In our followup review we found that very little had happened as a result of our recommendations.

Mr. **Peyser**. Is there any indication that the report that you have just filed, which I will assume the Office of Education and HEW will equally concur with, that any other action will be taken? Is there any reason to assume that they will bring about any change?

Mr. **Ahart**. They did concur again with our recommendations in our most recent report. I would hope that they would follow through, and do the kinds of things that need to be done in strengthening program administration.

I might point out, though, that the program does not have very many people to run it. It is run out of Washington, and I believe that they only have about 24 people. Without more staff to make site visits, monitor the program, give guidance to the institutions with regard to their financial responsibilities, help the institutions decide, or at least let them know what they have to decide in terms of institutional goals that they should work toward, and evaluate the program against those goals, I am not sure that they are going to be able to do all the things that they say they concur in.

Mr. **Peyser**. One other question which chagrins me, because I was on the Education Committee in 1975, was the report that you filed, such as the report you have just filed, circulated to every Member of the Congress, or every member of the Education Committee, or gets this report?

Mr. **Ahart**. It is made available to each committee that has responsibility for either oversight, legislation, or appropriations for the activity that is involved. It is made available to the whole Congress, and any Member of Congress upon request.

Mr. **Peyser**. Let me ask you, when you say "made available," that might infer that I could ask for it and you would give it to me. But how do I know that you have done it?

Mr. **Ahart**. With respect to the basic committees that have an interest in the particular activity or program, we send them directly, at the time the report is issued, to the committees.

Mr. **Peyser**. So every member of the Education Committee received a copy of this, then, in 1975.

Mr. **Ahart**. We would not send it to each individual member, unless there is a standing request for it.

Mr. **Peyser**. But the committee staff would get it.

Mr. AHART. Yes.

Mr. PEYSER. I thank you for that.

There is a comment that I would like to make, and I am sure you are equally concerned, is that here that I have certainly been supportive of any program that would aid the smaller institutions or the larger institutions in the higher education field. We are putting a substantial amount of money every year. We have two reports, one in 1975, and one in 1978, equally condemning the program. Yet, I don't believe that we have done anything about, and certainly the Office of Education has not done anything about it.

I feel very remiss here. How they have gotten away with having a report sitting there for 4 years, telling them to be doing, and what has been done, and they have done nothing. Now we have a new report. I just hope that by the end of this year we get some very definite action as to what is going to happen here.

It is $120 million that is going into this program, and I would rather put it into another program, if it is not going to get any real value from this one right here.

I thank the chairman for giving me the time.

Mr. FORD. Mr. Tauke.

Mr. TAUKE. Thank you, Mr. Chairman.

First of all, perhaps you could tell me something about the way the study was conducted by the GAO. How long a period of time did it take? How many people did you have working on it? Could you cover a few of these things?

Mr. AHART. First of all, as in any study, we took a good look at the legislation, the regulations, and so on and so forth. We began our field work on the study, I believe, in April 1977, and finished about a year later. We had a draft report available in August 1978.

We submitted the report to HEW for comments in September. As someone has already pointed out here, we received their comments in December 1978, and issued the report in February.

The total job took about 1,800 staff-days to complete. We went to 19 educational institutions that received help under this program, and to 7 of the assisting agencies. Also, as we looked at the assisting agencies, we, in effect, got coverage of a lot of the institutions, other than the 19, that were being provided help through the assisting agencies and the consortium arrangements.

That is the basic outline, the time frame, the amount of time we put into the job, and where we went.

Mr. TAUKE. As I have listened this morning, it seems to me that there are about four things that your report concludes. Let me run these by you and see if these are fair assessments.

First of all, you are saying that the goals of the program are not clear in two different ways: We don't know what kind or what type of institution the program is designed to serve; and we don't know what is supposed to happen to that institution once we do figure out what kind of institution we are going to serve. Would that be accurate?

Mr. AHART. That is a good statement of the problem.

Mr. TAUKE. Secondly, we don't know what the progress of the goal of the program is supposed to be. There does not seem to be any real progress for those institutions selected, because the institutions are not graduating from the program.

Mr. AHART. Well, if we don't know where we are going, it is very difficult to tell when we get there. That is, I think, that kind of a problem.

Mr. TAUKE. That is true.

Thirdly, apparently there is a lack of accountability in the program for funds.

Mr. AHART. That is correct.

Mr. TAUKE. Do you consider that a serious problem?

Mr. AHART. Yes, we do. Again it ties back in to the goals of the program, and the financial management against the goals of the program. If we don't know what we are trying to do, and we have no one who is really looking at where the money is going, there is room for all kinds of things to happen. We don't know whether the funds are being used for even any good purpose, irrespective of whether they are targeted to some definitive goal for an institution.

As we pointed out in my statement, and as was alluded to later, we think in some cases the assisting agencies play a much larger role, and have much more influence than was ever intended by anyone, in deciding what institutions should get help, and what kind of help they should get, as opposed to the institutions themselves deciding what goals they want to achieve and buying services, or targeting services and funds against those goals.

So, we consider financial management and control of funds, as a major problem in this program.

Mr. TAUKE. Finally, I suppose the fourth point I glean from your report is that since 1975 there has not been any change in what has been happening.

Mr. AHART. That is basically an accurate statement.

Mr. TAUKE. Are there any other major points that I am missing?

Mr. AHART. I think that you have covered it pretty well, Mr. Tauke.

Mr. TAUKE. Before you said that you had difficulty determining what the costs of administration of this program are. Perhaps I could phrase it another way, and maybe we will at least find out if you have that information.

Can you tell us what percentage of the money is going to programs defined by the institutions as being part of the developing institutions' program?

Mr. AHART. I am not sure that I understand the question.

Mr. TAUKE. As I understand it, each institution defines certain things that it wants to do in order to participate in the program. What percentage of the funds is going to those defined programs?

Mr. AHART. I don't think we could give you a percentage on that.

Mr. TAUKE. OK.

Mr. AHART. The institutions that we went to did have budgets, and the reporting back was generally in accordance with the budget. But whether or not the accounting was always squared with the budget is another question.

I don't think that overall we could give you a percentage, or that the institutions that we visited could give you that kind of a percentage.

Mr. **Tauke**. Can you tell me, under the consortia that have participated in this program, were there ever any institutions participating in the consortia that would not have been able to qualify as developing institutions on their own, but qualified because they were part of a group?

Mr. **Niemi**. Each institution that is a member of a consortium is supposed to meet the eligibility criteria for the title III program.

Mr. **Tauke**. Are they looked at individually?

Mr. **Niemi**. The institutions?

Mr. **Tauke**. Yes.

Mr. **Niemi**. Yes.

Mr. **Tauke**. Were the funds ever used for operation and maintenance in a college, rather than for academically oriented purposes?

Mr. **Niemi**. Our analysis did not go into that.

Mr. **Ahart**. Mr. Fulton from our Atlanta regional office informs me that we did find some institutions that participated in consortia that were not title III eligible schools. If you want more comment on that, I would ask him to come to the microphone.

Mr. **Tauke**. Could he, please?

Mr. **Ahart**. He might have some comments on the operation and maintenance, too.

Mr. **Fulton**. We found one consortium setup that tended to serve advanced schools, but it was really a basic program grant.

In trying to find out actually what went on in that program,' we found that there appeared to be some schools that had been getting services that were not title III schools, that had never really qualified for title III.

It is difficult to assess the eligibility of some of the schools that participate in the consortium arrangements because the consortia are so broad, and involve so many schools, that there does not appear to be an indepth evaluation of every school that applies for participation in a consortium.

For example, if 120 schools were participating in the same consortium, they apparently were not evaluated individually just for that consortium arrangement. For example, if the consortium is set up for institutional development, or institutional research, they would not necessarily evaluate that particular college's needs for institutional research functions.

On your previous question of operation and maintenance, the vast majority of the money spent at the schools is for salaries. There is also a considerable amount spent for consultants and there are other miscellaneous expenses, travel and things of this sort, but the vast majority of it is salaries. About 90 percent of the money coming through the program actually stays at the schools. About 10 percent of the money is for fees to assisting agencies.

Mr. **Tauke**. Thank you.

One followup question on your earlier comments. Did your office attempt to identify those schools that were participating in consortia, but which would not otherwise qualify? Could you give us a listing, for the record, of those schools?

Mr. **Fulton**. I will have to ask Mr. Crowder.

No, we don't have that right now. We can obtain that for you, if you would like to have it.

This particular consortium that I am talking about was an unusual situation. The biggest problem we found was not so much that they did not qualify for title III. We found schools that qualified for the advanced program getting money under a basic grant, because they were participating in a program that was funded under a basic grant.

So, while some of the schools might have qualified for a title III advance grant, they were actually participating in a basic program consortium.

Mr. **Tauke**. If it is easily available, I would appreciate it if you could submit that listing for the record.

Mr. **Fulton**. We will be pleased to submit that.

[Information submitted follows:]

INSTITUTIONS AND ADVANCED INSTITUTIONS IN CONSORTIA FUNDED BY BASIC GRANTS

The General Accounting Office does not have data on the extent that non-title III institutions and Advanced program participants were served under Basic program consortia arrangements. However, we noted the following two examples during our latest review of the title III program.

Under the $580,000 Basic program grant discussed on pages 37 and 38 of our February 1979 report, the assisting agency used funds to operate a research center providing services to several institutions. As stated in our report, an official at the grantee institution told us that the grantee institution did not receive any services under the arrangement. Also, we could not identify any Basic program schools which participated in the program in 1976-77. Of the 10 people who attended the center, 4 were from Advanced program schools, 4 were from non-title III universities, 1 was from a local school district, and 1 was from a private organization. The organizations which were represented are listed below:

Advanced program schools.—North Carolina A & T University, Tuskegee Institute, Tennessee State University (2 attendees).

Non-title III schools.—City University of New York, Livingston College, Rutgers University, University of Maryland, Howard University.

Local school district.—School District of Philadelphia.

Private organization.—Institute of the Black World.

In another case, which is not cited in our report, a consortium arrangement to provide an array of library services to its member schools was funded in 1975-76 partly through a Basic program grant. Of the consortium's 27 member schools, 9 were Advanced program schools and 2 were non-title III schools. The consortium did not differentiate between the services provided to these 11 schools and those provided to the Basic program schools. These 11 schools are listed below:

Advanced schools.—Bennett College, Benedict College, Fisk University, Tuskegee Institute, Rust College, Morris Brown, Mary Holmes, Virginia Union, Clark College.

Non-title III schools.—Florida Institute, Mercer University.

Mr. **Tauke**. Thank you very much

One more question, then. You commented about the reader review program, and how readers would review the applications, and they would be overturned apparently somewhere in the Office of Education.

Did the Office of Education have any comments about that?

Mr. **Ahart**. I think we questioned them specifically in writing on six different awards. But I would like to ask Mr. Niemi to comment more specifically on just what was going on in that process.

Mr. **Niemi**. Yes. The Commissioner of Education responded to us on these six awards. The assisting agencies or the institutions complained to the Commissioner about the lack of funding. The Commissioner said that based on other decisions that had been reached in the program, he was at a loss to decide that the institutions should not receive the funding they had requested. Therefore, he reinstated the amount that had originally been requested.

Mr. AHART. As I understand the problem that the Commissioner had in these six cases, it was that the awards actually made were out of correlation with the rankings that were given by the field reviewers.

The six that protested had higher rankings than a lot of others that got awards. So out of about 400 applications, even though they were funding only about 200 institutions, they would fund some institutions that were ranked near the bottom.

So somebody would come in and say: "Well, I was No. 66," and if there were several awards that had a lower ranking, the Commissioner did not feel that he had a very strong reason to turn them down.

Mr. TAUKE. Thank you very much.

Mr. FORD. Mr. Weiss.

Mr. WEISS. Thank you, Mr. Chairman.

Mr. Ahart, I find a seeming contradiction in your testimony, and I wonder if you would clarify it for me.

Early on, you suggest that because there seemed to be no philosophical guidelines, no philosophical framework for the program itself, and because no clear definition exists as to what a developing institution is, you cannot tell when somebody has reached the developed stage.

Then, you point out of the 244 institutions which received grants in academic year 1977-78, 120 of them had been in the program for at least 8 years. I take that to be, at least, an implied criticism.

Then on pages 13 and 14 of your testimony, where you talk about the proposed new regulations of HEW, you say that under the proposed regulations, many institutions which are providing valuable services, and are struggling for survival might be ruled ineligible for the program.

Can you really have it both ways? Can you, in fact, criticize on the one hand because the majority of them have been in for 8 years, and on the other because some of them are likely to be moved out of the program under the new regulations. How do you square that?

Mr. AHART. First of all, without knowing, as we put in the statement, what would qualify as a developing institution, a struggling institution, et cetera, it is difficult to answer your question because there is an apparent inconsistency. But at the same time, the new regulations spell out a formula which would establish basic eligibility for the program.

It is a quantitative formula—I think Ms. Eldridge will comment on that a little bit later—made up of basically two different measurements. The measurement of the average basic educational opportunity grant per full-time equivalent student at the institution, which is given a possible point count of 200, and the other one is the amount of money that the school spends on general and educational expenses per full-time equivalent student.

That strikes us as being somewhat arbitrary, and not having a direct relationship to whether or not the institution is a developing institution, and whether or not the institution is struggling for survival.

The way the formula works is the higher the general and education expenses are for a full-time equivalent student, the worse score you get for eligibility purposes, and the higher the basic educational opportunity grant average is for each full-time equivalent student, the higher the score you get.

It is a simple mechanism, relatively simple, and it comes out with nice objective answers, but we are not at all sure that it has a great deal to do directly with whether or not the institution is a struggling developing institution.

So that is about the best explanation I can make of it.

Mr. **Weiss**. Have you, in the course of your recommendations, suggested what might be more appropriate criteria? Can one piece together, from the summary of your recommendations, what GAO might think would be a more appropriate formula?

Mr. **Ahart**. In actual fact, and depending on your particular persuasion as to what kind of institution we are trying to help in this program, we did not see all that much wrong with the eight-point criteria that were in the former regulations if they were applied reasonably and consistently, and the awards made on that basis.

Again, I have to qualify that because it would be very difficult for us to come up with what criteria should be used, unless we know what we are trying to accomplish, and what kinds of institutions the Congress really intended to help.

Mr. **Weiss**. I also find somewhat confusing, and maybe it is unavoidable, the dual thrust of the report. As I listen to and read your testimony, I find that your criticism is on the one hand, the lack of firm, philosophical grounding for the program, and, on the other hand, the normal—that is normal within the context of what usually is—complaints of abuses, be it conflicts of interest, corruption, or lack of accountability, and so on.

It seems to me that there is a seeming intertwining of those two in the report, intended or otherwise. I think, obviously, the clear-cut cases of lack of accountability, and worse, ought to be able to be handled with very clear dispatch.

I think that any Department worthy of its name should be able to deal with those problems very quickly, effectively.

The other part of the problem is the philosophical grounding. I am not sure, when you addressed the question of what is intended here, and when an institution cease being developing, and how it justifies continuing to remain a developing institution for eight years, whether you addressed the other side of the question. That is, without the assistance that has been provided by the program, would the institution have been able to survive; what kind of role is it fulfilling within the geographical or economic community it is serving; and whether, overall, there is a valid purpose which is being served by the program.

I wonder if you would comment on that. Was the other side of the coin given consideration while you were conducting the study and preparing the report?

Mr. **Ahart**. Yes. As I mentioned in my statement, Mr. Weiss, we did find a lot of good things happening at the institutional level. There were valuable services being provided to institutions. They were doing things that were valuable in the institution.

But at the same time, when you look at it from a philosophical point of view, you have a program that has operated for over 12 years. You have 244 institutions that are currently in the program, and another 500 or more that had been in the program at some point in time, and then apparently not funded. I think that there were 800 institutions that participated at some point during that period of time.

Since it is a developing institution program, we have no way to say, and nobody else can say, that the institutions that got grants, and then were not funded, were developed. They are presumably still developing. In no case do we have any clear goal as to what the particular institution is supposed to achieve over a period of time, to reach whatever goal the program has in mind.

I understand that under the new regulations, instead of making just annual grants, they are going to make grants for up to 3 years, and so on, so that the institutions, perhaps, can set some goals that are a little bit more farsighted than they can if they have to compete for funding on an annual basis. That should be a plus.

I don't know if that answers your question or not.

Mr. WEISS. Can you foresee a situation, for example, where an institution may be in the program from the beginning and given a different interpretation of the commonly accepted definition of the word "developing" that is, rather than one that seems as formal and inflexible as GAO used it, meaning developing to some specific goal, instead as it is used, when we used it in the context of developing countries. Not that it is going to reach a position by a certain time, but because of certain deprivations and disadvantages, it is not as developed as other nations.

You could have institutions that could be developing for a long time, and perhaps forever, because they have not reached at the end of a certain time the stage of developed. The Office of Education and the Department would still be justified in continuing to fund those institutions because of the valid purpose which they are serving.

Mr. AHART. Yes, I could conceive of that, if that is what the Congress has in mind. I have read testimony by Office of Education officials, when they still had the basic and advanced programs, that the idea was that you would be in the basic program for a period of time, until you developed to a point where you were fairly close to getting into the developed stage. Then you go into the advanced program.

Some testimony I read said that they kind of visualized a 15-year period. You would have 8 or 10 years, or whatever, in the basic program, and then another several years in the advanced program. Then you would reach the goal.

Under the new regulations, that particular philosophy certainly does not hold because now they have wiped out the basic and advanced programs.

If what Congress has in mind is a continual subsidization of a school which is poor, but is judged to be providing valuable services in a rural area, or community, and clearly articulates that, certainly GAO has no quarrel with that. But our trouble is, with the present legislation and the regulations, the way it is administered, and the way the grantees are selected, we cannot tell what the

Congress wanted to accomplish, or what OE is trying to accomplish. That is exactly what we have tried to focus on.

Mr. **Weiss**. My final question, in a different area. It is regarding so-called assisting organizations, or institutions. Do you have any judgment or opinion as to whether it is necessary to continue those organizations, or whether, in fact, the same services which they render could not be more effectively supplied by the Office of Education itself?

Mr. **Ahart**. I really don't think that the Office of Education would be in a position to do it. I think the interchange among the colleges is certainly useful. People can learn from other organizations. Some money could quite usefully be spent for that.

The Office of Education, I think, even if they could get the right kind of resources to provide that kind of help, would certainly need more people than they have in the program to do it. As I mentioned earlier, I think they run this total program with about 24 people on a centralized basis.

When you are dealing with 244 institutions, if that is the right number that we want to help, it would be very difficult for that small cadre of people, even if they were qualified to do it, to go out and provide the kind of assistance which the assisting agencies should be able to provide to the developing institutions.

Mr. **Weiss**. What you are really suggesting is that it is not the concept that is the problem, but the monitoring of how that system is working, and the abuses which have crept into the program somewhere along the line.

Mr. **Ahart**. Yes. I don't think that we have any basic problem with the concept of having an agency in the business of giving certain kinds of help, and having the real expertise of giving certain kinds of help to the institutions.

We do feel, as I mentioned earlier, that some of the assisting agencies seem to be much more influential in what is actually happening under the program than we would expect to find that kind of an agency having.

They seem to be almost in the position to dictate to the schools that they are trying to help, what the schools need as opposed to jointly working out with the school what kind of help it needs, and then try to help it do what it needs to do.

Mr. **Weiss**. Thank you very much.

Thank you, Mr. Chairman.

Mr. **Ford**. Mr. Buchanan?

Mr. **Buchanan**. Thank you, Mr. Chairman.

Did you find any institutions which had moved backward from the advanced to the basic program?

Mr. **Niemi**. Yes, there were cases where institutions did move back, and receive funding from the basic program after being funded under the advanced program.

Mr. **Buchanan**. Do you have any information as to why that would occur?

Mr. **Niemi**. No. We could not get an adequate explanation. The only explanation we received was that the 3-to-5-year period for funding under the advanced program would have elapsed for these institutions, and that only under the basic program would they have received funding.

Mr. **Ahart**. I might point out, Mr. Buchanan, that there are quite a number of cases where an individual institution would apply simultaneously under both programs, presumably not knowing whether they would qualify under the advanced program, but certainly wanting to get the basic program, if they did not qualify for the advanced.

So the distinction between the programs, at least to me, obviously was not clear enough for the participating institutions to tell what stage of development they were in, and what program they would qualify for.

Mr. **Buchanan**. There were cases where they had been advance funded, and then went back to basic funding. It does not necessarily imply that with our help they were developing backward, or underdeveloped?

Mr. **Ahart**. Not necessarily.

Mr. **Buchanan**. Thank you, Mr. Chairman.

Mr. **Ford**. Do I understand from what has been said here, and in your statement, and in responses to the questions, to sum up, that we have no way of looking at the track record on this program, to determine what institutions have done with the millions of dollars that have been funneled through this program. Therefore, presumably, we cannot tell what has been done, and whether it has been beneficial or not beneficial. Does it really come down to that?

Mr. **Ahart**. I think it basically comes down to that. Basically, we cannot tell what has been done in furtherance of the purpose of the program. You can certainly go out to an institution, see what they have done, and make some subjective judgment as to whether it was good, and whether it helped the institution. But whether it helped the institution in the way and toward the goal that it should have had is another question in the context of this program.

Mr. **Ford**. There is another thing that we have to clear up, for the record. When I talked about the 24-percent set-aside for community and junior colleges, the way the statute is written it is really the other way around. There is a 76-percent set-aside for 4-year institutions, which means that the community and junior colleges cannot receive more than 24 percent.

We had an exchange a few moments ago that seemed to indicate that more than 24 percent was, in fact, going to community and junior colleges. I call your attention to section 301(b)(2):

> Of the sums appropriated pursuant to this subsection for any fiscal year, 76 percent of them shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

Mr. **Ahart**. I think you are correct, Mr. Chairman. The record was confused. Thank you for clarifying it.

Mr. **Ford**. So the assertion that more than 24 percent was, in fact, being spent on community and junior colleges was incorrect?

Mr. **Ahart**. I think it was incorrect.

Mr. **Ford**. The regulations now would use the characteristics of the student body, using the correlation between the size of the BEOG grant and its relationship, therefore, to the financial need of the student.

If this program from the beginning has had one thing clear about it, and that one thing was that it intended to aid institutions.

Almost all of the other programs in the act aid institutions only indirectly by sending the aid to students, and deal with the characteristics of the students.

The new regulations now seem to take this institutional program into the realm of something that relates to the need of the student rather than the needs of the institution.

What correlation, if any, do you find when you compare that regulation with what is going on between the size of the BOEG grant and the needs of the institution?

Mr. **Ahart.** As I stated earlier, Mr. Chairman, we don't see any direct correlation between those. We don't see that the average BEOG grant at an institution on a full-time equivalent student basis has any direct relationship to the needs of the institution, or to the status of the institution as a developing institution.

We are not sure that the other factor considered in the formula, the average amount of general and educational expenses of the school for a full-time equivalent student, necessarily has any relationship to the need of the institution, or to whether it is in a developing status. Keeping in mind, on that particular point, that certainly if you are running a school in New York City, your average general and educational expenses for a full-time equivalent student are likely going to be higher than if you are running one in some rural area, because of higher salaries, higher expenses, and a lot of other factors.

So we don't see that either one of those factors directly relates to the developing status of an institution.

Second, we are bothered by the fact that this program was enacted in 1965 and the BEOG program was enacted in 1972. Now in the regulations we are picking up a program that was enacted 7 years after the title III program, and using the amount of assistance we are putting out on the 1972 program to measure the eligibility of an institution for help under a program that was decided on 7 years earlier. That bothers us somewhat, too.

We seem to be coupling programs with no clear legislative intent that they be coupled.

Mr. **Ford.** Thank you very much.

We will now call on Mrs. Marie Eldridge.

[Prepared statement of Rolf M. Wulfsberg follows:]

An Empirical Comparative Analysis of Alternative Methods of Computing Eligibility Under Title III of the Higher Education Act of 1965

Rolf M. Wulfsberg
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National Center for Education Statistics

Testimony prepared for presentation to the Subcommittee on Postsecondary Education, Committee on Education and Labor, U. S. House of Representatives, March 28, 1979.

Introduction

Title III of the Higher Education Act of 1965 is designed to assist developing institutions of higher education to strengthen their academic quality and administrative capacity. On November 2, 1978, the Federal Register (Vol. 43, No. 213) contained a notice of proposed rulemaking which would change the method for determining whether an institution should be classified as developing. The proposed regulations cited two quantitative criteria:

1) Average basic education opportunity grant award per full-time equivalent undergraduate student (BEOG/FTE); and
2) Average educational and general expenditures per full-time equivalent undergraduate student (E&G/FTE).

The proposed method for determining eligibility--referred to hereafter as the Percentile Method--would assign points to an institution on the basis of that institution's percentile rank on each of the criterion variables.

The Percentile Method of determining eligibility has been questioned on methodological grounds. Percentile scores are not sensitive to the difference between two raw scores; they depend only on the number of raw scores between the two scores in question. A strong argument could be made for using a procedure such as standardizing the two raw criterion scores and adding them instead. Standard scores are sensitive to the difference between two raw scores, and standard scores would, in general, assure the relative weighting (two-thirds for BEOG/FTE, one-third for E&G/FTE) that the proposed regulations intended.

In order to determine whether there are significant differences between the sets of institutions which would be classified as eligible by the two methods, the Subcommittee on Postsecondary Education of the Committee on Education and Labor requested the National Center for Education Statistics (NCES) to conduct an empirical comparative analysis of the two methods. This report presents the findings of that analysis.

Methodology

The Percentile Method awards points to an institution of higher education on the basis of a 200-point scale for BEOG/FTE and a 100-point scale for E&G/FTE. In the first case, all institutions of the same type and control are ranked in ascending order of BEOG/FTE. An institution in the first percentile (lowest BEOG/FTE) is awarded two points, an institution in the second percentile is awarded four points, and so forth. In the second case, all institutions are ranked in descending order of E&G/FTE. An institution in the first percentile (highest E&G/FTE) is awarded one point, an institution in the second percentile is awarded two points, and so on. The two percentile-based scores are then added together, with any institution with at least 174 points being classified as developing.

An alternative method of combining the criterion scores, referred to as the Standardized Method, assigns points to institutions of higher education in the following manner. For each of the four type and control categories, the mean and standard deviation are calculated for each of the two criterion variables (BEOG/FTE and E&G/FTE). The raw BEOG/FTE and E&G/FTE data are converted to standardized scores which have mean 50 and standard deviation

20. The standardized E&G/FTE score is then subtracted from 100 to "reverse" it, so that high E&G expenditures per FTE will be associated with low scores as the proposed regulations intended. Finally, the resulting value is added to twice the standardized BEOG/FTE score, yielding a total score which gives two-third of the weight to the standardized BEOG/FTE score.

The means and standard deviations for each criterion variable and each type and control category are shown in Table 1. In many cases, the standard deviation is more than half of the size of the mean, indicating that there is a sizable amount of skewing in the distribution of the raw data. This means that outliers (raw scores several standard deviations from the mean) will be given [illegible] advantages (in the case of BEOG/FTE) or disadvantages (in the case of E&G/FTE). Therefore, the initial standardized scores for each criterion variable were truncated to prevent any score from differing from the mean by more than three standard deviations. (In the actual empirical analysis, truncating the scores only made a difference between eligibility and non-eligibility for two of 2518 institutions.)

Each method (Percentile or Standardized) classifies an institution into one of three categories: Eligible (denoted by "Yes" on the tables), Not Eligible (denoted by "No"), and Unclassifiable (denoted by "N/A"). The third category is assigned when one or both of the criterion scores is not available. If the BEOG/FTE score is missing, both methods will classify the institution as Unclassifiable since BEOG/FTE carries two-thirds of the weight and the cutoff score cannot be attained by the E&G/FTE score alone. On the other hand, if the BEOG/FTE score for an institution is very high (low), it may be possible to classify that institution as Eligible (Not Eligible) even in the absense of an E&G/FTE score.

Table 1: Means and Standard Deviations for BEOG/FTE and E&G/FTE

Control	Type	BEOG/FTE		E&G/FTE	
		Mean	Std. Dev.	Mean	Std. Dev.
Public	2-Year	$165	$111	$2293	$ 906
Public	4-Year	$241	$178	$3170	$1149
Private	2-Year	$334	$239	$2643	$1479
Private	4-Year	$254	$202	$3792	$1639

For the purposes of the empirical comparative analysis, an institution of higher education was declared to be eligible under the Standardized Method if its combined standardized score exceeded 152.10. The value of 152.10 was selected in order to assure that both methods would classify the same total number of institutions as eligible (developing). A careful examination was then conducted to see how the sets of institutions declared eligible by the two methods differed and whether the differences were significant.

Results of the Comparative Analysis

While each method selected the same number (821) of eligible institutions by design, the number of institutions selected in each type and control category differed. As shown in Table 2, the Standardized Method classified 17 more public two-year institutions as developing than did the Percentile Method. However a chi-square test of significance applied to the data in Table 2 (three degrees of freedom) indicates that the distributional difference between the two methods is not statistically significant.

Table 2: Number of Institutions Determined to be Eligible by Type and Control

Method	Public Institutions		Private Institutions		Total
	2-Year	4-Year	2-Year	4-Year	
Percentile	269	119	70	363	821
Standardized	286	111	64	360	821

The two methods performed substantially the same within each category of type and control as well. Tables 3-6 show how each method classified the institutions for each category of type and control. The results for all institutions are shown in Table 7. An analysis of these results shows that the two methods categorized 96.2 percent of the institutions identically. (See Table 8.) When one combines the categories of Not Eligible and Unclassifiable (since neither group is eligible to funding under this criterion), the percentage of identical classification rises to 97.2 percent. (See Table 9.)

Based on the results of this empirical analysis, NCES concludes that, in this particular case, there was no statistically significant difference between the two methods of computing eligibility.

Table 3: Title III Eligibility of Public 2-Year Institutions

		Standardized Method			
		N/A	No	Yes	Total
Percentile Method	N/A	183	0	0	183
	No	2	431	19	452
	Yes	0	2	267	269
	Total	185	433	286	904

Table 4: Title III Eligibility of Public 4-Year Institutions

		Standardized Method			
		N/A	No	Yes	Total
Percentile Method	N/A	50	0	0	50
	No	0	166	5	171
	Yes	0	13	106	119
	Total	50	179	111	340

Table 5: Title III Eligibility of Private 2-Year Institutions

Standardized Method

		N/A	No	Yes	Total
Percentile Method	N/A	37	0	0	37
	No	8	111	1	120
	Yes	3	4	63	70
	Total	48	115	64	227

Table 6: Title III Eligibility of Private 4-Year Institutions

Standardized Method

		N/A	No	Yes	Total
Percentile Method	N/A	155	0	0	155
	No	15	504	10	529
	Yes	2	11	350	363
	Total	172	515	360	1047

Table 7: Title III Eligibility of All Institutions

		Standardized Method			
		N/A	No	Yes	Total
Percentile Method	N/A	425	0	0	425
	No	25	1212	35	1272
	Yes	5	30	786	821
	Total	455	1242	821	2518

Table 8: Percent of Institutions Classified Identically by Both Methods (N/A vs. No vs. Yes)

	Public	Private	Total
2-Year	97.5	93.0	96.6
4-Year	94.7	96.4	96.0
Total	96.7	95.8	96.2

Table 9: Percent of Institutions Classified Identically by Both Methods (N/A-No vs. Yes)

	Public	Private	Total
2-Year	97.7	96.5	97.4
4-Year	94.7	97.8	97.0
Total	96.9	97.6	97.2

[The prepared testimony of Ms. Eldridge follows:]

Testimony of Marie D. Eldridge, Administrator of the National Center for Education Statistics, Before the Subcommittee on Postsecondary Education of the Committee on Education and Labor of the House of Representatives, March 28, 1979

I am very pleased to have this opportunity to testify before this subcommittee on the impact of methodological differences in determining eligibility of a developing institution under Title III, of the Higher Education Act of 1965. The method for determining eligibility, proposed in regulations published in the Federal Register on November 2, 1978, utilizes a percentile-based score for each institution using 1) average basic education opportunity grant (BEOG) award per full-time equivalent undergraduate student and 2) average educational and general expenditures per full-time equivalent undergraduate student as criteria. These criteria assume that a high average BEOG award and a low average educational and general expenditure are reasonable indicators that an institution is serving a significant number of economically deprived students and is struggling for survival. In that context, the criteria are utilized as an initial screening device. Because the validity of combining percentile scores has been questioned, this subcommittee asked NCES to conduct a comparative analysis of this method and a method based on standardized scores to determine the differential impact of the alternative approaches.

It is recognized that percentile scores are not sensitive to the differences between two raw scores; they only depend on the number of raw scores between the two scores in question. A strong argument could be made for using a procedure such as standardizing the two raw criterion scores and adding them instead. Although standard scores are sensitive to the differences between two raw scores, and standard scores would, in general, assure the relative weighting that the proposed regulations intended, an empirical analysis of the two methods shows that, in this particular case, there is little difference between the results of the two methods.

In response to the request from this subcommittee, we have completed an analysis to determine whether there are significant differences between the sets of institutions which would be classified as eligible by the two methods. The analysis was designed so that both methods of computing eligibility would classify the same number of institutions as developing—roughly one-third of all two- and four-year colleges. Of all the 821 institutions selected, 786 institutions—or 96 percent—are determined to be eligible by both approaches. In terms of categories of institutions classified as eligible, the distribution of the 821 institutions does not shift appreciably. The figures are:

[In percent]

Type of institution	Percentile method	Standardized method
Public 2-year	33	35
Public 4-year	14	13
Private 2-year	9	8
Private 4-year	44	44
Total	100	100

On this basis, it is reasonable to conclude that only extremely minor differences result from the use of either approach. From a statistical point of view, the differences are not significant.

A detailed technical report has been prepared, and I would be pleased to submit it for the record if you so desire. The report was prepared by Dr. Rolf M. Wulfsberg, Assistant Administrator for Research and Analysis, who is with me today. Dr. Wulfsberg and I will be pleased to answer any questions you might have.

STATEMENT OF MARIE D. ELDRIDGE, ADMINISTRATOR, NATIONAL CENTER FOR EDUCATIONAL STATISTICS, ACCOMPANIED BY ROLF WULFSBERG

Ms. **Eldridge**. We have, in response to your request, conducted a comparative analysis of the percentile score methodology as proposed in the regulations, published in the Federal Register of November 2, 1978, and the method based on standardized scores, to determine the differential impact of the alternative approach.

Conceptually, the difference between the two methods is the difference which results from a simple ranking of scores, which is the percentile method, as opposed to a system which takes into account the spread of the scores as well as the rankings. The latter we call the standardized method.

An empirical analysis of the two methods shows that, with the data in hand, there is little difference between the specific sets of institutions which would be classified as eligible by either of the two methods.

In other to maintain complete comparability between the two methods, we held the number of eligible institutions constant, roughly one-third of all 2- and 4-year colleges. This resulted in each method selecting 821 institutions.

We found that 786 of the 821 institutions, or 96 percent, were determined to be eligible by both approaches. That degree of comparability is impressive, and we might have justifiably stopped our investigation at that point.

However, we did pursue the analysis by type and control of institution just to reassure ourselves that the few differences which did emerge between the two methodologies were not concentrated in any one group.

The greatest change was found in 2-year public colleges, where the percent of all eligibles rose from 33 percent to 35 percent with the standardized method. Public 4-year colleges, and private 2-year colleges shifted from 14 percent and 9 percent to 15 percent and 8 percent, respectively, a shift of 1 percentage point.

The private 4-year colleges captured 44 percent of the eligible ratings under both systems.

I found these comparisons dramatically close, and it is reasonable to conclude that only extremely minor differences result from the use of either approach.

From a statistical point of view, there was no significant difference.

The technical report was prepared by Dr. Wulfsberg, and he and I will be pleased to answer any questions you may have.

Mr. **Ford**. Thank you very much.

The "Empirical Comparative Analysis of Alternative Methods of Computing Eligibility" was prepared at the request of members of the committee. What conclusion did you reach from the conclusion that you reached on page 3 that either method of scoring——

I assume that in making the comparison you assumed the model based on the new regulation of the size of the BEOG grant for full-time equivalent students?

Ms. **Eldridge**. That is correct. We did utilize the two criteria as provided in the proposed regulation. These criteria assume that a high average BEOG grant and a low average educational and general expenditure are reasonable indicators that an institution is serving a significant number of economically deprived students and is struggling for survival. We did not question that assumption.

Mr. **Ford**. Even though both methods produced similar results, can you tell us whether one method or the other has a greater degree of accuracy, operating under the assumption that you just described that is presumably a fair definition of the new regulation.

Operating under that assumption, does either of the two methods that you explored here produce a greater degree of accuracy than the other?

Ms. **Eldridge**. As I indicated, the differences were not significant, either statistically or, I think, in terms of any practical consideration, when you consider that 96 percent were identified as eligible under either alternative approach.

Mr. **Ford**. Were there institutions excluded under the OE method, that would have been included under the NCES method?

Ms. **Eldridge**. I don't think of the standardized approach as the NCES method, but we can refer to it in those terms.

Yes, there was a difference of 35 institutions which were included under the percentile, or OE approach, but which were not included under the NCES approach. There was a similar balance in the other direction because we did have the constraint that we wanted to identify exactly the same number of eligible institutions. Therefore, there were also 35 institutions which were identified as eligible under the standardized method, which were not identified under the percentile ranking method. Those 35 represent 4 percent of the base of 821 institutions.

Mr. **Ford**. Did the excluded institutions have any common characteristic that is apparent from what you were doing with numbers?

Ms. **Eldridge**. The scan that we made of those did not indicate any great differences. I did mention to you that the greatest difference was in the eligibility rate for the 2-year public colleges.

Of the 821 institutions identified in the percentile ranking methodology, 33 percent of those 821 were in the 2-year public colleges. Under the standardized method, that percentage was increased by 2 percentage points. That was the most marked difference.

Mr. **Ford**. Thank you very much.

Mr. Weiss, do you have any questions?

Mr. **Weiss**. Thank you, Mr. Chairman.

Mr. Wulfsberg, did you want to add anything to this?

Mr. **Wulfsberg**. Mr. Chairman, we also looked at the geographical distribution of the institutions which differed by the two methods, and there was no consistent pattern apparent.

I did want to add that the bulk of the difference between the two methods, namely, those institutions which were eligible by one method and not eligible by the other, we would attribute to normal statistical fluctuation.

Next year, when new data are available, it would most likely be a very different set of institutions which would differ by the two methods. We did not find these differences to be significant from a statistical standpoint.

Mr. **Ford**. Just as a matter of curiosity, how did you develop the base, make the computation in terms of the BEOG grant? I have been led to believe that we did not have available an inventory of successful applicants.

What year were you able to use, for example?

Mr. **Wulfsberg**. The data base for both of the criterion variables was the fiscal 1976–77 information. The educational and general expenditures data came from NCES information which we gather annually from all institutions of higher education. The full-time equivalent information, which is the denominator of the criterion variable, is also derived from data which NCES gathers every year. The BEOG information is not gathered by NCES. It is derived, rather, from data maintained by the student financial assistance office of OE.

Mr. **Ford**. Thank you very much.

We have a slight change in the program now. We are ready to come to another panel, but our colleague, Mr. Williams, wishes to be heard at this time.

Our next witness is the Honorable Pat Williams of Montana. Mr. Williams' statement will be inserted in full, at this point, in the record, and you may proceed to supplement it, add to it, or comment on it in any way that you feel most comfortable.

STATEMENT OF HON. PAT WILLIAMS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MONTANA

Mr. **Williams**. Thank you very much, Mr. Chairman.

I am pleased to have the opportunity to testify before the members of the subcommittee during your consideration of reauthorization of title III of the Higher Education Act.

Title III, as the only Federal program that gives large direct grants to higher education institutions for improving academic programs, administration, student services, and faculty development, is, in fact, making a substantial contribution to the higher education resources of this country as its framers had hoped.

Certainly in my home State of Montana, the program is key in reducing the academic isolation inherent in locations where vast distances block easy interaction with and access to other higher learning programs.

For the title III consortium made up of Carroll College in Helena, the College of Great Falls, Miles City Community College and Dawson Community College in Glendive, and also for Flathead Community College in Kalispell, Mont., title III has been a bridge between the institutions and the outside academic world.

It has fostered improvements ranging from advanced management and data collection, to institution of Native American studies programs, to improvement of student services.

Testimony from the administrations of each of the institutions is overwhelmingly supportive of title III. It is a program that has consistently enabled our colleges to improve and expand services for Montana students.

Because of the importance of the Title III program to Montana, I am concerned about the possible effects of new title III regulations which are to be published in the near future. The draft regulations included eligibility changes which could dramatically shift the emphasis of the program, and disqualify many participating institutions, thus, perhaps, altering the original intention of the program.

The proposed regulations which were developed with the aim of improving the administration of the title III program, were first issued on November 2, and a 60-day public comment period was opened at that time.

The General Accounting Office audit of the program then underway was expected to be issued in mid-December. Participating colleges and Members of Congress were anxiously awaiting the GAO findings to use as the basis of their comments on whether or not the new regulations appropriately address title III administrative concerns.

On September 19, the GAO report was transmitted to the Department of Health, Education, and Welfare for comments, and the Department was asked to submit comments by October 30. It was December 13, nearly 1½ months beyond the deadline, that the draft report was returned to GAO with the agency's comments.

Because of this delay, the GAO report was not issued until February 13, nearly a month-and-a-half after the closing date of the comment period on the new title III regulations, and 11 days after the closing date for submission of applications.

In late January, I and 12 members from other affected western districts wrote to Commissioner Boyer, asking that issuance of final regulations be deferred pending the availability of the GAO report.

The letter urged the Office of Education to proceed with the grant processing on the basis of 1978 regulations, and to avoid program interruption.

Senator Claiborne Pell, chairman of the Senate Education Subcommittee, and 11 other Senators also requested deferral, suggesting that appropriate changes in the title III program could be assessed during reauthorization of the Higher Education Act this session.

I followed up on our letter with a series of phone calls, and another letter dated February 21 to the Office of Education, urging a prompt response to our request for deferral of the new regulations. On March 15, a full 43 days after my original letter was sent, the Office of Education wrote back, denying our request.

The only concession that the Office of Education made, or even addressed, was extending the deadline for reapplication by participating schools which had not submitted applications under the new regulations.

This concession, in fact, only affected seven institutions in the country. So, Mr. Chairman, the Office of Education in no way addressed our concerns about the disqualification of participating institutions under the new regulations, and did not even allow us the time to determine whether these dramatic changes would resolve or exacerbate the problems identified by GAO.

The GAO, in fact, indicated in its report that it is not clear that the revised regulations will be more adequate in meeting the intent of the law than the prior regulations would have been, or are.

I think that it is a valid question, and one which should be considered by Congress, and one that most particularly should be considered by the members of this committee. For this reason, I urge the committee to determine during tomorrow's hearings whether the Office of Education has adjusted the title III regulations to allow continuation of existing programs.

I would also urge the committee to carefully review the regulations when they become available, to determine if they are, in fact, appropriate, and if remedial legislation will be necessary to avoid sudden, harmful changes in the important title III program.

Thank you, Mr. Chairman.

Mr. **Ford**. Thank you very much, and as chairman of this subcommittee, I want to thank you very much for the extraordinary effort that you have put into tracking activities of the administration with respect to this program.

We will have a representative of the Office of Education here tomorrow, presumably completely equipped to respond to questions. I would invite you to join us and ask him the questions that you asked him in your phone calls, under circumstances where it can hardly take a month-and-a-half to answer them, sitting there at that table.

Sadly, a month-and-a-half delay is not real bad for that bunch over there. It does not seem to make much difference which party has the administration. A more cynical person than the chairman now presiding might look at the chronology that you have outlined in your statement, and come to the conclusion that someone did not want the GAO report to move through the channels in time to be a basis for comment on the pending regulations.

Mr. **Williams**. You know, Mr. Chairman, I am new around here myself, and I guess I just have not become appropriately callous to a month-and-a-half delay.

Mr. **Ford**. I hope you never do.

Mr. **Williams**. I know you are not either.

Mr. **Ford**. As you spend a little time around here, you learn, as the rest of us have, a variety of ways to express your concern over month-and-a-half delays, using methods that leave an impression. Sometimes vacant seats.

Counsel advises me that an even more curious problem exists in that the institutions are being told now to apply for funding on the basis of the not yet finalized, but proposed regulations rather than the basis of the existing regulations, because the new regulations will not be in effect in time for the new funding year. That leads one to assume that they did not expect that anybody was going to complain about the new regulations, and also to assume that if one does now complain, or if we try to legislate, we will be too late because they will be passing out the money on the basis of what the law is going to be rather than what the law is.

We have so many resolutions of disagreement on HEW regulations pending before this committee that I hesitate to get into any more of them, but perhaps some place in the middle of this year, we are going to legislate, and perhaps we can get them to go one step further and take the applications not on the basis of what the law is, or what the law is going to be under the regulations, but what the law might be when we get through legislating.

If we are going to use a prospective formula, maybe there should be some consultation with this committee and the Senate committee, since Senator Pell has expressed his deep concern in this, to see what the ultimate projected law is going to be, and then we ought to apply on that basis rather than some interim regulation.

I can guarantee you that the committee will do whatever it can to respond to your concerns, and I hope that we will have an opportunity to work with you in doing this. We invite you to participate with us.

Mr. Buchanan?

Mr. BUCHANAN. Thank you, Mr. Chairman.

I would simply associate myself with the chairman's remarks, and say in response to his comment, it does not seem to make much difference which kind of administration we have, the bureaucracy seems to remain the same.

I am reminded of the story of Moby Dick, and a statement that made an impact on me. "Ahab is forever Ahab." I thought in this instance we might say, "The whale is forever the whale" when we are talking about the Office of Education or the Department of HEW.

Mr. WILLIAMS. Thank you, Mr. Chairman.

Mr. FORD. Our next panel of witnesses will consist of Thomas Englund, executive director, Small College Consortium; Richard Witter, executive director, ACCTion Consortium; and Van Allen, executive director, TACTICS Consortium. Without objection the prepared statement will be made part of the record, and you may proceed to highlight, comment or add to your statements in any way that you wish.

[Prepared statement of Thomas Englund follows:]

CONSORTIAL ARRANGEMENTS UNDER TITLE III
OF THE
HIGHER EDUCATION ACT

Testimony Prepared for
the
Subcommittee on Postsecondary Education
Committee on Education and Labor
House of Representatives

Presented by
Thomas H. Englund
Executive Director
Small College Consortium
March 28, 1979

I am Thomas Englund, Executive Director of the Small College Consortium. I am pleased to be here to share with you some of our impressions about the value of consortial arrangements as a means for providing assistance to developing institutions.

The Small College Consortium came into being on July 1, 1976, with the awarding of its first Title III grant. The design for the consortium evolved out of previous programming of the Council for the Advancement of Small Colleges (CASC), a membership organization now serving about 200 institutions. The project was developed by representatives of CASC schools and by the CASC staff. Their objective was to provide technical assistance enabling an institution to respond to those problems it sees as of greatest concern and to deal with those issues in the context of comprehensive institutional development. That is to say, there was an awareness that institutional health cannot be attained piecemeal; it must be recognized that a problem in one area of institutional life has a ripple effect throughout the institution. To remain viable, an institution must fine-tune each of its individual programs and departments as well as the linkages among them. Thus, although our project offers specific technical assistance in areas such as planning or enrollment development, our ultimate goal is to help institutions link all those efforts together and to begin to see themselves as organic wholes.

For the current project year, there are 51 participating institutions ranging in size from about 310 students to about 1550. The mean enrollement is 907. A list of the schools is provided in Attachment A.

Each institution receives slightly over $20,000. in direct funding from the Federal grant. It also contributes $2000. to a fund which covers some of the expenses of the project staff and office (all of the rent, most of the telephone, duplication, postage, and supplies budgets, and a portion of salaries, fringe benefits, and travel items).

From the Federal monies, a college hires an On-Campus Coordinator and a secretary, each of whom must be assigned at least two-thirds time to project-related activities. In addition, the grant provides travel funds and a budget for other miscellaneous expenses.

The project staff consists of 10 individuals, nine of whom are full-time employees and one of which is part-time. There is the equivalent of 6.5 full-time professional positions and 3.0 support staff positions.

The coordinating institution is Averett College in Danville, Virginia. The Council for the Advancement of Small Colleges continues its relationship to the consortium by serving as the assisting agency. CASC's National Consulting Network helps participating colleges identify external consultants to complement the work of the project staff; the Planning and Data System provides analytical tools for program analysis and planning; and individual CASC staff members assist in workshops and make some campus visits.

Additional details about the operations of the Small College Consortium are included in Attachment B.

Benefits of a Consortial Arrangement

Chairman Ford's letter inviting us to participate on this panel asked that we speak to three matters: the strengths of consortia, the ways in which we have assisted the participating institutions, and the reasons for which we believe the consortial arrangement should be a continuing part of the Title III program. In the following comments I would like to make a series of observations about the first two of those items. The third - reasons for continuing consortial arrangements under Title III - will be implicit in what I have to say. We hope that consortia will remain a part of Title III to provide similar opportunities for developing institutions under the reauthorized legislation.

Overcoming Isolation - The first benefit I would like to mention is that consortia are able to mitigate the degree to which Title III institutions "are isolated from the main currents of academic life." This isolation may have several components: In part, it can be geographic; most of our institutions are in relatively remote locations where it is difficult to interact with professional colleagues. Isolation can be related to financial resources; tight budgets tend to provide funds for day-to-day problems, not for long-range developmental efforts. Often, one of the first items to be eliminated is funds for professional travel. And some aspects of isolation are due to isolation from current technology and new procedures; most developing institutions are staffed by generalists who wear many hats - there is no way for them to keep abreast of developments in their many areas of responsibility.

Participating in our Title III consortium has assisted colleges in breaking out of their isolation. Attendance at workshops and seminars has helped people share common problems and to be exposed to the latest approaches to solving those problems. The project not only provides resources for producing these workshops but also the travel funds so that teams of college personnel can attend. (Attachment C is included to give a full year's overview of workshop and seminar offerings. The columns headed "Schools Attending" and "Total Attendees" provide some indication of the extent to which participating institutions take advantage of these activities.)

The project's resource library is another means for reducing isolation by sharing information. It contains a wide array of questionnaires, planning documents, curricular models, reports, and other materials, most of which have been generated at project schools under the auspices of the grant. Member colleges need only contact project staff to receive copies of materials in the library and thereby benefit from the work of their colleagues at other institutions.

Lately the On-Campus Coordinators have found there is much to be gained by corresponding with each other about current concerns. As we visit the campuses, staff members regularly learn about yet another mailing from a Coordinator seeking information from his or her peers on a pertinent topic.

High Quality Technical Assistance - A second benefit is that the consortium provides a source of competent, reliable technical assistance that is designed to permit direct application on a campus. Participating institutions are not left having to utilize unfamiliar consultants who may turn out not to have the combination of professional expertise, personal qualities, and intense commitment required to solve pressing problems. The project staff and the assisting agency provide a pool of resources especially designed to meet the needs of small colleges. By tapping that pool, a participating institution can have a high degree of confidence that it will be dealing with people who understand its needs and who have the competency to resolve them. Our annual external evaluation reports have consistently shown that the quantity and quality of technical assistance available through the project are highly regarded.

Cost Effectiveness - We believe that delivery of technical assistance through a consortium can be very cost-effective. In our project, for something less than $30,000. per institution per year we are providing: a two-thirds time professional person (the On-Campus Coordinator) to carry out project activities; a two-thirds time secretary; opportunity for campus teams to attend several professional workshops per year; a minimum of three visits to campus by the project staff; access to a resource library which facilitates dissemination of project outcomes (and diminishes the need for each school to "re-invent the wheel" whenever a new effort is undertaken); and several issues of the project newsletter containing technical assistance reviews and other tips for successful management of the project.

With respect to this topic of cost-effectiveness, we also know the project has served as a catalyst to mobilize the efforts of many individuals at the participating institutions. Our evaluation data demonstrate that significant numbers of administrators, faculty members, and students get drawn into developmental activities due to the stimulus provided by the grant. Thus, the Federal monies have had a very important multiplier effect in terms of resources actually committed to developmental efforts.

Continuity of Relationships - Ongoing personal and professional relationships possible through a consortium help to maintain momentum. The consortium does not simply provide the "high" that attendance at a professional meeting sometimes gives or that may occasionally be obtained by using an effective external consultant. Involvement in workshops, campus visits by the project staff (the staff spent 258 days on the various campuses last year), a steady stream of correspondence from the project office, periodic required reports, and participation in the annual external evaluation process all serve to keep college personnel involved in the project. In fact, it might be the case that a consortium, through the extra-institutional dimensions it offers, may be a more effective means to stimulate developmental activities than a bilateral grant. Partly this is because college personnel learn a great deal from shared experiences, but we think there is also something to be said for the peer pressure which can be a subtle motivator in a project such as ours.

Integrated Developmental Activities - As mentioned at the beginning of my statement, CASC personnel designed the Small College Consortium to provide comprehensive institutional developmental services; this has facilitated our approach

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to what we term integrated institutional development. For example, it is not uncommon for college personnel to tell us that there is "an admissions problem". The traditional response would probably be to recommend hiring another admissions counselor and budgeting more advertising money. However, our ongoing relationship with the institution may tell us that this is only the proverbial tip of the iceberg. The admissions problem may be there because students perceive the institution as a dull, uninviting place, and they are telling their friends at home to stay away. Or the problem may be caused by outdated curriculum or by an inadequate understanding of the needs of the institution's publics. Thus, our broad array of technical assistance possibilities may lead to a campus climate study, to a review and upgrading of the curriculum, and to a marketing survey. These activities may, in turn, pave the way for improved student development services, faculty development activities, and a better working relationship with the local community. The resultant impact on the institution is likely to be much more powerful than the bandages usually applied to "an admissions problem".

Process and Program Outcomes - In thinking about the outcomes of an institution's participation in a consortium, it may be helpful to think both of new programs and activities and of new processes and procedures. The first is the more tangible, identifiable result, the second more subtle and difficult to evaluate with any degree of precision. The one may be seen as directly satisfying the needs of an institution's clientele while the other has the potential to contribute to ongoing renewal over many years.

Some of the new programs fostered via the consortium include linkages with two-year institutions; development of weekend programs; course offerings at local penal institutions; campus-wide retention efforts; career development programs involving faculty and student development personnel; new or upgraded faculty evaluation efforts; and revised, more meaningful academic advising programs.

In the arena of processes and procedures, we have seen the following at various colleges: new or upgraded planning processes giving both short- and long-term outcomes; new management information systems which have improved the collection, analysis, and dissemination of data to improve services to students and to enhance institutional decision making; more effective and efficient procedures for maximizing resources in areas such as admissions and the business office; involvement of increased numbers of institutional personnel in decision making; better time management practices for administrative personnel; and dramatic reductions in the amount of time spent by institutional personnel in committee meetings.

Attachment D is provided to give some indication of the institutions' appreciation for outcomes of the project. The quotations therein are taken from the 1977-78 external evaluation questionnaire in which institutional personnel were asked to identify the most apparent outcomes from the first two years of Small College Consortium involvement. The quotes illustrate how some respondents chose to focus on specific program outcomes while others described useful new processes and procedures.

The Future

In that the current cycle of Small College Consortium activities will come to a close at the end of the 1979-80 project year (assuming that we are funded for next year), we are in the process of working out a design for the consortium beyond that point. One model might be to start over with a new group of institutions and provide basically the same type of program we will have offered for four years while, at the same time, providing some reduced level of services to the current participants. Regardless of the details of the model that ultimately emerges, we certainly hope that there will be continuing provision for consortia such as ours to exist under Title III.

In summary, it goes without saying that we are confident that consortia can provide effective vehicles for delivering Title III services to developing institutions. We are also convinced that there are many institutions across the country which, in the words of the legislation, "have the desire and potential to make a substantial contribtution to the higher education resources of the Nation". We therefore encourage you to provide for a vital Title III program in your work related to reauthorization of the Higher Education Act.

Thank you for this opportunity to appear before you.

ATTACHMENT A: Participating Institutions, Small College Consortium, as of March 28, 1979

Alabama
- Mobile College

Arkansas
- John Brown University

California
- Westmont College

Georgia
- Brenau College
- Tift College

Illinois
- Eureka College

Indiana
- Bethel College
- Marion College
- Taylor University

Iowa
- Buena Vista College
- Central College
- Mount Mercy College
- Northwestern College

Kansas
- Friends University
- McPherson College
- Mid-America Nazarene College
- St. Mary College
- Sterling College

Massachusetts
- Curry College

Michigan
- Spring Arbor College

New York
- Dominican College of Blauvelt
- Houghton College
- Molloy College
- The King's College

North Carolina
- Sacred Heart College

North Dakota
- Mary College

Ohio
- College of Mt. St. Joseph
- Findlay College
- Notre Dame College
- Ohio Dominican College
- Urbana College

Oregon
- George Fox College

Pennsylvania
- Gwynedd Mercy College
- La Roche College
- Mercyhurst College
- St. Vincent College

Rhode Island
- Barrington College

South Dakota
- Dakota Wesleyan University
- Huron College

Tennessee
- Bryan College
- Covenant College
- Freed-Hardeman College
- Trevecca Nazarene College

Texas
- Incarnate Word College
- Texas Lutheran College

Virginia
- Averett College
- Eastern Mennonite College

Wisconsin
- Lakeland College
- Mount Mary College
- Silver Lake College
- Viterbo College

ATTACHMENT B: Overview of Small College Consortium Operations

Background

The Small College Consortium (SCC) came into being as an extension of prior activities conducted by the Council for the Advancement of Small Colleges (CASC). In particular, the SCC can be linked to outcomes of the Institutional Research and Planning Project, a Title III undertaking which involved about 15 CASC member institutions. In addition, CASC has traditionally focused on a specific topic for its annual National Institute which has usually been attended by a high proportion of member schools; some recent concerns have been student development, trustee development and fund raising, governmental relations, curriculum review and design, and enrollment issues (admissions and retention).

Out of these various single-focus threads came the desire to provide a program of comprehensive development services. Such an effort seemed to be compatible with U.S. Office of Education's program of Aid to Developing Institutions.

In designing the SCC, CASC staff members followed their longstanding practice of involving representatives of member institutions in the planning. Thus, the foundations of this undertaking include outcomes from earlier CASC programs and input from individuals whose institutions were candidates for participation in the proposed project. In short, the project was consumer-designed. The services and the staffing were tailored to meet the self-perceived needs of those who would be using them.

Growth Plans

Based on its own assessment of needs, a participating college prepares an annual growth plan. This plan includes objectives, proposed activities, a schedule of key dates, and the means for evaluation. The growth plan is the vehicle for coordinating the delivery of services to the institution. Project staff members assist college personnel in achieving their stated objectives.

Advising

Each member college has an advisor from the project staff. The advisor is responsible for the general oversight of activities at a given institution, for coordination of the delivery of services, and for suggestions about matters that may warrant attention.

Technical Assistance

Professional expertise is provided to help the colleges achieve the objectives of their growth plans as well as to instill the notion of comprehensive development. Assistance is available in these areas:

Area I:	Planning Management Information Systems Fiscal Management
Area II:	Marketing Recruiting/Admissions Retention Financial Resource Development
Area III:	Curriculum Development Career Development Student Development
Area IV:	Faculty Development and Evaluation Administrative Development and Evaluation Organizational Development

Organization

- Averett College, Danville, Virginia, is the coordinating institution; Averett administers the grant on behalf of the colleges and the project staff.
- The Council for the Advancement of Small Colleges (CASC) is the assisting agency. CASC's National Consulting Network and the Planning and Data Services are of particular importance to the project.
- The Presidents' Advisory Council reviews programs, discusses alternative strategies, and acts on significant policy issues. The Council is made up of the presidents of 12 member colleges plus the president of CASC.
- The project staff is housed in Washington, D.C. The ten staff members have frequent interaction with the colleges through workshops, campus visits, and other means of providing assistance.

Funding History

	Title III grant	Total Budget
1976-77	$1,500,000	$1,608,955
1977-78	$1,500,000	$1,608,000
1978-79	$1,404,500	$1,506,500

ATTACHMENT C: Small College Consortium Seminars and Workshops, 1977-78

Workshop/Seminar	# of Days	Staff Involved	Non-SCC Consultants Used	Schools Attending	Total Attendees (Non-Staff)
On- Campus Coordinators' Workshop					
Summer	5	8	1	50	50
Winter	3	8	-	46	46
Action-Oriented Planning	2	3	2	11	24
Management Information Systems:					
Overview	1	1	-	7	12
Student Services	3	5	1	18	36
Financial Management	3	1	1	15	19
Budget Management	1	2	2	8[A]	10[A]
Principles of Marketing					
Washington	1	7	-	23	32
Chicago	1	4	-	12	28
Admissions Management	2	2	-	19	26
Recruitment & Retention					
Philadelphia	3	5	1	15	28
St. Louis	3	5	1	15	33
Development and Public Relations	2	3	2	13	27
Implementing Curriculum Change	2	1	1	8	30
Continuing Education[B]	3	3	8	15	25
Course Design and Modules	3	1	1	7	16
Student Learning Patterns	1	1	1	6	10
Planning for Faculty Development	2	1	1	4	11
Faculty Evaluation	1	1	1	15	22
					485

A. An additional 9 schools and 19 people were registered but were not able to attend due to weather conditions.

B. Co-sponsored with College of Mt. St. Joseph on the Ohio.

ATTACHMENT D: Quotes from the 1977-78 External Evaluation

All Small College Consortium participating institutions annually respond to a questionnaire which is a major portion of the project's external evaluation. For the 1977-78 project year, one portion of the questionnaire asked campus personnel to describe "the single most apparent outcome" from involvement with the project. The following quotes are illustrative of those received by the evaluators; they are included here to provide some suggestion of the institutions' perceptions regarding impact of this type of activity. The quotes came from presidents, on-campus coordinators, and ad hoc groups of people who had some relationship to the project and who were drawn together to respond to a section of the questionnaire.

- The emphasis and attention that is being given to institutional long-range planning has been increased due to [the college's] participation in the SCC. Planning for the years ahead is on the minds of staff, faculty and students. The true picture of projections for the future is becoming known to the [college] community. Planning is taking place in the areas of fund raising, improvement of property and grounds, student services, faculty development and curriculum.

- 1977-78 has been a turbulent year on campus; in part because the college has attempted to face some issues related to steady-state enrollment: budget, tenure, liberal education, and the initiation of a cooperative education program. The SCC project provided expertise and perspective . . . to help the institution deal with these issues.

- The Student Services Center wherein one office is now the center for four previous offices: financial aid, accounts receivable, transcripts, student scheduling. Management information systems were inaugurated. Result - better service to students, less personnel, better morale among students.

- The tracking system of students has been established and a program of addressing the high attrition rate has been clearly articulated.

- Our involvement with the SCC has both enabled and forced us to do some long-range planning which we would not have done without the support and encouragement of the project.

- The single most striking accomplishment is the development of a comprehensive, inclusive, long-range planning process and the successful completion of the first planning cycle..

  While the need for some sort of annual planning was evident to many faculty and administrators the past few years, the SCC project through providing an OCC who came to coordinate the process, and workshops that enabled more people to learn what is involved in planning, played a direct role in enabling such planning to develop here at [the college].

- An increase in retention is the single most apparent outcome; [the college's] retention during the academic year 1977-78 has improved by at least 2.7% in each class when attrition rates are compared with those of the preceding 4 years.

- The single most important outcome of the Small College Consortium was the "total" institutional focus on "educational" outcomes in terms of students' attainment and institutional goals. Activities were related to the modified competency-based curriculum, short and long-range planning process, management, budgeting and evaluating system, faculty development, student development, and resource development. As of this date, [the college] has not completely integrated its management information system and its modified competency-based curriculum.

- The existing curriculum has been evaluated and redesigned including change of course-credit system, improvement of field experience guidelines, reorganization of divisions, reduction of majors, and several other specific proposals being considered by faculty committees.

- To date the single most apparent outcome of our institutional involvement with the SCC is the reactivation of the Office of Institutional Research and the generation by that office of the institutional cost analysis as well as other information needed for accurate long- and short-range planning and internal decision making.

- During this past year we were confronted with a slight decline in enrollment. This is a serious matter for all small colleges. It was therefore determined that our efforts should be directed toward student services which would promote a better student attitude and therefore improve our retention.

  Our retention rate between semesters has been the best that we have ever had and it appears that the retention between years will also be the highest on record. This is at least in part due to the effort and expertise the SCC grant allowed us to use.

- The single most important (if not apparent) outcome of the institution's involvement with the SCC is the accumulation of an unprecedented amount of institutional data. And that is exactly what we asked for when we applied for participation in the project. Several of our projects are still incomplete; but by the end of the fiscal year, we expect to have good factual information concerning the following:

  1) our primary, secondary, and tertiary student market and our ability to capture pertinent segments of these markets;
  2) consumer satisfaction among present students;
  3) compatibility between student expectations and faculty/administration goals;
  4) attrition patterns and causes for attrition;
  5) instructional program costs;
  6) student/faculty ratios and faculty productivity.

- The formation of the evening college. Where no evening college existed previously, we presently have 71 students enrolled in the evening program.

- Creating an awareness on the part of many faculty and administrative staff that finding and retaining students is the name of the game. Marketing analysis personnel and student advisement personnel working at their specific tasks with teams of outcomes assessors, cost analysts and admissions experts is the single most important outcome of SCC activities this year.

- The most apparent outcome of our two year involvement is that in May, 1978, [the college] faculty adopted our completed and revised General Education Model. If a visitor came to our campus, I could show him the timetable for general education revision which was adopted by our faculty at our fall conference September 1976; show him the log book which records core committee meetings, divisional meetings, faculty meetings devoted to the project, meetings with divisional chairmen, and one-on-one meetings of the OCC and individual faculty members, staff members, administrators, and students. This has truly been a demanding, and all-campus project. It is gratifying to now be able to move on to the second phase of our work as a developing institution.

- The single most apparent outcome is awareness that [the college] can, and must, take steps to shape its own future. We are more conscious of the need to clearly define the uniqueness of our college and to develop the ability to market it in such a way as to attract a larger share of potential students, both traditional and continuing education. This has lead to more prompt and systematic attention to prospective students, development of a new advising program to improve retention, and an effort to assess how the college is viewed by our various constituencies as a basis for developing marketing strategies. Most fundamental perhaps is the emergence of a sense that within our campus community we have great human resources which can be engaged in discovering alternatives, exploring options, and making decisions about our future as an educational institution.

- Our new core curriculum, which involves a freshman program in Comprehensive Liberal Studies and Critical Skills plus thematic courses at the upper level, is undoubtedly the one project outcome which has had and will have the most significant impact on the total institution. It was researched, developed, approved by the faculty, incorporated into the catalogue in record time and will be initiated for freshmen entering in the fall of 1978. SCC funds were used for faculty travel, participation in workshops, stipends for released time to develop course syllabi, purchase of books, etc.

- The single most apparent outcome of [the college] involvement in the Small College Consortium has been development of an improved planning process. A planning cycle has been worked out which provides for the choosing of annual priorities in the fall for the next academic year. The various divisions and departments of the college then proceed to develop detailed plans in line with these priorities. The planning process provides for wide participation in the development of plans.

- A complete new curricular program was designed to attract a new clientele of non-traditional students through a curricular interface with the local technical school.

  The initial "Image Study" which suggested the feasibility of such a program was conducted during the first year of SCC participation. During the second year (1977-78), five individual market surveys were conducted; a demographic study was completed; the design of the program was formed and approved by the Board of Directors; and a pilot enrollment of 12 students was permitted to test the operational dynamics of the program. . . . It is hoped that the potential market of 4800 technical school graduates will serve as an alternate pool of students in the declining 19-22 year old market.

- To date enrollment development. This was the most crucial problem. There had been 5 years of declining enrollment until last year.
- SCC involvement has been most significant in the area of faculty growth and development.
- [The college] completed the development of an annual planning cycle adapted to conditions on its campus and implemented a portion of that planning cycle as a field test to remove any practical difficulties that developed out of the planning for planning. In addition, the school used the same procedure in preparing the self-study for North Central reaccreditation.

STATEMENT OF THOMAS ENGLUND, EXECUTIVE DIRECTOR, SMALL COLLEGE CONSORTIUM

Mr. ENGLUND. Thank you, Mr. Chairman.

I am pleased to be here this morning in spite of the previous testimony about the operation of the large consortia under title III, because I think we can shed a bit of light on some of the things that have been discussed.

Let me, if I may, just skip through highlights of the document that we have submitted for the record; then I will be more than happy to respond to your questions.

Our consortium, the Small College Consortium, came into being in 1976–77; it grew out of previous activities of the Council for the Advancement of Small Colleges, CASC, an organization that serves a number of small colleges scattered around the country.

Important in understanding what went into the design of our consortium is to recognize, and this in part responds to some questions of this morning, that that design evolved with the participation of CASC member colleges and the CASC staff in determining what the consortium would look like, and the services it would provide.

For the current project year, there are 51 participating institutions, ranging in size from about 310 students to 1,550, the mean enrollment being 907 students. A list of those schools, and the states in which they are located, is provided in attachment A to our document.

From the Federal title III grant, each institution receives slightly over $20,000 for direct expenditures on its campus, and it contributes in return $2,000 toward the operating expenses of the Washington staff and office.

From the Federal moneys, the college hires an on-campus coordinator and a secretary, each of whom must spend at least two-thirds of his/her time involved in developmental activities. The grant also provides the college travel funds and a budget for other miscellaneous expenses.

The staff housed here in Washington consists of 10 individuals, 9 of whom are full-time, and 1 of whom is part-time. It amounts to a full-time equivalent of about six-and-a-half professional positions and three support staff positions. The coordinating college is Averett College in Danville, Va., and CASC continues its relationship to the project as our assisting agency.

In response to the items that were listed in the letter inviting us to be here this morning, allow me to touch on six areas that we think provide important commentary on the impact or effectiveness of consortia in serving developing institutions.

The first benefit speaks directly to an item in the legislation, and that is that Title III is designed to help institutions which are isolated from the main currents of academic life. We would like to suggest that this isolation may be geographic, may be related to financial resources, or may be related to the way institutions such as those we serve are staffed by generalists and not by specialists, and hence the institutions have a tougher time keeping abreast of developments in many areas than they would if they were larger institutions and more adequately staffed.

We can assist them in breaking out of that isolation through our workshops and seminars. In attachment C, we provide a list of the kinds of things we do in workshops and seminars over the course of a project year, and that list also provides an indication of the colleges' responsiveness to those offerings.

The project resource library contributes to the breakdown of isolation by sharing information among the colleges, and, as an added factor, it also provides for dissemination of what is happening on an individual college campus, so that it may be shared with an institution's colleagues at other institutions.

The second point that I would like to mention is that a consortium can provide a source of high quality, competent, reliable technical assistance. Developing institutions are not faced with the need to go out into the general market place to find technical assistance to solve their problems. We believe that the kind of staff relationship that we have with them is an important plus for our project.

Third, we believe, again perhaps in spite of what has been said earlier this morning, that consortia can be cost effective. In our project, for something less than $30,000 per institution per year, we are providing the following:

First, a two-thirds time professional staff person, the on-campus coordinator, to carry out project activities;

Second, a two-thirds time secretary;

Third, opportunity for campus teams to attend several professional workshops per year;

Fourth, a minimum of three visits to campus by the project staff;

Fifth, access to the resource library; and

Sixth, several issues of a project newsletter containing technical assistance reviews and other tips for successful management of the project.

Also with respect to this topic of cost effectiveness, we think that it is important to note that a project such as ours can serve as a catalyst on campus to mobilize the efforts of other individuals who are not directly paid through the grant. Our annual evaluation study tells us that hundreds or thousands of hours on the part of administrators, faculty members and students are generated each year through the activity of Small College Consortium.

Fourth, we think that continuity of relationships with personnel on the campuses is an important plus, so that over a period of time—in the case of our consortium, now three years, and we have submitted our application for a fourth year of funding—we get to know people, and they get to know us, so that we can respond in a variety of ways to their needs.

There is hardly a day that goes by that there is not some awareness of the Small College Consortium on one of our campuses because of the many ways that they relate to the project.

Our fifth point is that integrated developmental activities are important to a small college in the era in which we live. We find that because we can go back to the campuses from time to time, we can touch on many bases, and help them more adequately respond to what they perceive to be the issues facing them.

For example, it is not uncommon for college personnel to tell us that there is an admissions problem. The traditional response probably would be to recommend hiring another admissions counselor and budgeting more advertising money.

However, our ongoing relationship with the institution may tell us that this is only the proverbial tip of the iceberg. The admissions problem may be there because students perceive the institution as a dull and uninviting place, and they are telling their friends at home to stay away. Or the problem may be caused by an outdated curriculum, or an inadequate understanding of the needs of the institution's publics.

Thus, our broad array of technical assistance possibilities may lead to a campus climate study, to a review and upgrading of the curriculum, and to a marketing survey. These activities may, in turn, pave the way for improved student development services, faculty development activities, and a better working relationship with the local community. The resultant impact on the institution has the potential to be quite a powerful one.

Finally, we believe that in looking at a consortium, we need to look at both process and program outcomes. The programs may be more identifiable when one goes to the campus. We can identify a new English offering, a new program in student activities, or whatever the case may be.

However, we think that it is equally important to look at processes and procedures that evolve through the work in a consortium such as ours. We list on page 7 and the top of page 8 of our document some of the kinds of activities that take place on the campus. We would like to suggest that the process activities which are tough to account for, tough to identify in evaluation studies, are important for ongoing developmental activities of the institutions. They really amount to the legacy we feel we have to leave behind.

Attachment D is with our document as a way of sharing with the committee some of the impressions that the presidents, on-campus coordinators, and other college personnel have given back to us as indications of their appreciation for this sort of involvement. We felt that it would be a useful way to share their appreciation with you.

When we look at the future, we recognize that the current cycle under which the Small College Consortium was planned will come to a close at the end of the 1979-80 project year. We are in the process of working out a design for the consortium beyond that point. One model might to start over with a new group of institutions and to provide basically the same type of programming we have offered for 4 years, while at the same time providing a reduced level of services to current participants.

Regardless of the details of the model that ultimately emerges, we certainly hope that there will be continuing provision for consortia such as ours to exist under title III.

Thank you.

Mr. BUCHANAN. Thank you.

Mr. Witter.

[Prepared statement of Richard Witter follows:]

STATEMENT BY ACCTION CONSORTIUM

Mr. Chairman and members of the committee: I am Richard Witter, executive director of the ACCTion Consortium, a technical assistance consortium of the Strengthening Developing Institutions Program. I very much appreciate the opportunity to appear before you to present our views about consortia interests in the Title III program. I hope this testimony will help you to better understand what strengths exist in such cooperative efforts, how ACCTion has very specifically helped strengthen institutions in the consortium, and why I believe consortia should be a continuing part of the Title III program.

THE ACCTION CONSORTIUM

The ACCTion Consortium is a national technical assistance organization of 116 two-year private and public community, junior and technical colleges. Its major mission is to strengthen staff, programs and organizational effectiveness in the areas of resource development, community services, instructional services, and student services. This strengthening takes place through a multi-faceted program of technical assistance. This includes consultant services, visits to exemplary colleges, intensive one-week specialist training programs, regional team-attended workshops, thematic workshops, internships, information services, staff planning and monitoring visits, and presidents' institutes.

A coordinating office, located in Washington, D. C., and four ACCTion technical assistance centers, located on two-year college campuses, comprise the basic administrative and programmatic structure of the consortium. Title III staff and consortium staff agreed to this structure when the consortium began in 1975.

The four ACCTion Centers are located at Kirkwood Community College, Iowa (Community Services); Tri-County Technical College, South Carolina (Instructional Services); Hesston College, Kansas (Student Development Services); and Brevard Community College, Florida (Resource Development). Grants to these four "coordinating colleges" total $1.424 million for 1978–79 to serve the 116 colleges.

Colleges participating in the consortium during 1978–79 are apportioned among the four centers as follows: Community Services, 24; Instruction, 35; Resource Development, 27; Student Development, 30. A college's placement with a particular center is based upon the college's choice.

STRENGTHS OF THE ACCTION CONSORTIUM

The strengths of the ACCTion Consortium as we see them are detailed below.

1. Economic.—One of the original ideas behind the consortium was that it could serve, with limited economic resources, a number of two-year colleges not being served by Title III funds. Applications for Title III grants by two-year institutions far out number the funds available. The consortium is a way to assist a great many additional colleges. It was a direct response to the ever-present conflict of limited economic resources and virtually unlimited educational needs. This conflict provides the spawning ground for cooperative and collaborative efforts which are made possible through a consortium arrangement.

Unlike some other Title III programs, there is no money going directly to colleges to create new positions, buy new equipment or establish offices. The ACCTion funds are "incentive" funds in the best American tradition. It is based on a "matching funds" concept of particular interest to many Congressmen and the Office of Education. ACCTion technical assistance activities encourage considerable investment by each participating institution over and above what ACCTion spends.

2. Ripple effect.—The "ripple effect" carries the influence, activities and ideas of ACCTion beyond the participating colleges. The ACCTion Consortium has gained an excellent reputation throughout the two-year college field. The four ACCTion centers have received numerous requests, from colleges external to the consortium, for documents and information. In addition, ACCTion colleges have shared information and ideas gained through ACCTion with other neighboring institutions. A few colleges have used ACCTion experts or workshop faculty to conduct special programs of a local or regional nature.

3. External catalyst.—The creative use of full-time professional staff, external to participating colleges, serves as a constant and continuous catalyst for internal activity and change. The ACCTion model serves as a monitoring mechanism for each college. There is an intensity of contact with the colleges by ACCTion center staff. Because they are external to the institution, this staff can more frequently mediate or effectively intervene in difficult or awkward campus issues or situations. This kind of contact reinforces the efforts of the colleges to achieve their goals and objectives. It also provides for continuous evaluation and campus visitations which are not possible by Title III staff to individual grantee institutions.

4. Collective professional knowledge.—The ACCTion's professional staff have, over time, developed a considerable storehouse of information and ideas. These include materials, exemplary programs, resource persons, organizations, training events and documents, etc. which could never be approached, let alone duplicated through the resources available to individual institutions without enormous expenditures.

5. Intra-staff consultation.—Staff at ACCTion participating colleges have the advantage of group consultation on specific problems and issues. ACCTion staff, through frequent staff conferences and consultations, freely discuss and consult with one another concerning a particular college's problems or areas of difficulty. This brings the hearts and minds of a number of persons to bear on institutional problems and necessary changes.

6. Group training.—A consortium like ACCTion presents the colleges with the advantages of group training programs involving staff from many colleges. Through carefully planned thematic workshops, traveling seminars, specialist training programs, and regional workshops, the consortium brings together representatives from many colleges to a central location for group technical assistance activities. Through these events: (a) nationally recognized resource leaders can be effectively integrated into the most appropriate training format; (b) logistical arrangements are efficiently centralized; and (c) staff from many developing institutions learn from one another, discover common problems, learn of practical solutions to those problems, and in general share mutual concerns and experiences.

7. Comprehensive evaluation system.—A comprehensive evaluation system for ACCTion's technical assistance activities and program has been designed. Each center has devised its own evaluation procedures for its activities. Evaluation reports are carefully assessed and compared by staff and "fed" into the system. Wherever inadequate results are observed, corrective action is prescribed and taken.

It is extremely doubtful whether any individual college could design and administer an evaluation system of this scope, objectivity and professional quality. It is beyond belief to assume that 116 colleges, working individually, would do so.

8. External advisors.—Each of the four ACCTion centers is given guidance and suggestions for program operation by a nationally recognized "boards of advisors." These groups guarantee the consortium's continual high level, informed, objective and subjective analysis. They lend support and prestige to the consortium and provide for the infusion of ideas from the "mainstream of American higher education".

9. Interchange of ideas.—Title III legislation seeks to bring post-secondary institutions into the mainstream of American higher education. The ACCTion Consortium provides a vehicle whereby that happens. Institutions, isolated from that mainstream where there is an abundance of free-flowing exchange of information and ideas, need to get to know what other institutions are doing. They need to know about the innovations and new programs being put into effect in other locales. The exchange of ideas and knowledge which occurs at ACCTion activities facilitates the transfer of new program and activity ideas to other colleges.

In addition, the basic idea of "colleges helping colleges" behind bilateral or multi-institutional arrangements is multiplied many times by a consortia. It is possible to identify and clarify the special strengths of all participating colleges. These strengths then can be capitalized upon by other colleges. Through contacts made at workshops, conferences and other group situations, one learns to whom to turn for expertise and experienced judgment about particular kinds of programming, e.g. developmental education, women's programs, etc.

The consortium provides the means for an expanding network of information-sharing two-year college staff. A special comradeship, understanding and support for one another develops between faculty and staff within an institution and between institutions. An informal communications network is eventually established which will last beyond the existence of the consortium itself. This important network will lead to more cohesive and integrative efforts on individual campuses. It will lead to the development of interdependence among two-year institutions.

10. Teamwork of external internal change agents.—ACCTion staff work closely with each institution's designated ACCTion coordinator. The combination of their considerable professional insights, experiences and external perspectives with the talents and informed insights of college staff provide a fine team approach to program planning, implementation and evaluation.

11. Cooperative program design.—ACCTion participating colleges are required and assisted by external resource persons (center and coordinating office staff) to base goals and objectives and program design on careful analysis of institutional, programmatic and personal/professional areas of growth needs. These need areas are often considerably clarified through the professional insights of the highly qualified center staff and consultants. It helps to modify considerably the tendency to spend money indiscriminately on pet projects of certain staff. It provides for the more objective analysis of institutional needs.

12. Pool of experienced staff.—One of the strengths of the consortium is the experienced and knowledgeable personnel who staff the four centers and the coordinating office. This creates a pool of well-qualified and talented persons who can be used by any ACCTion college. It would be impossible for most colleges to employ on "soft money" the number of educationally credentialed staff persons on the consortium staff. This kind of staffing pattern also alleviates the necessity for any "in-between" assisting agencies to help plan, conduct, and evaluate consortium activities, with the exception of summative evaluations conducted by external evaluators as called for in the Title III regulations.

13. Provision for professional growth.—There is a special learning experience associated with the establishment of a consortium like ACCTion. This learning experience applies to both the ACCTion staff and the staff of the colleges. The experience of putting the consortium together, organizing it in an orderly and systematic fashion, the development of plans of operation for each college, attending to the details of arranging technical assistance activities for 116 colleges, evaluating programs and activities, the modification of programs based upon evaluation, all these provide an intrinsic and valuable experience of professional growth and development for all associated with the consortium.

ACCTION'S RESULTS AND OUTCOMES

Results and outcomes are the "bottom line" for any federally funded project of ACCTion's magnitude. And the results and outcomes are a constant source of pride to the ACCTion staff and participating colleges. It is not possible to delineate in this testimony all of the results and outcomes in the many areas of college activity. Let me however, cite a few specific examples of what has happened at some institutions. A listing of general results and outcomes taken from ACCTion's third-year external, third-party evaluation for 1977-78 is appended to the testimony.

At Mohegan Community College in Norwich, CT, the position of resource development officer was established as a paid position after a year's involvement with the ACCTion Consortium's Resource Development Center. This position is paid for by the college, not by Title III funds. An increased number of proposals for external funding has resulted, including a Title III Basic Institutional Development Program proposal for a consortium of several local Connecticut state community colleges.

Alabama Christian College's involvement with the Instructional ACCTion Center has resulted in the expansion of the media department, introduction of a faculty/staff newsletter, and more sophisticated techniques for analyzing student needs. One thousand students were tested to assess learning styles. As a result, changes have been made in developmental English and math, including a self-paced format for both courses. In addition, criteria for the employment of part-time faculty have been established and a faculty handbook has been developed for the first time. New faculty evaluation forms have been adopted and put into use.

At Olney Central College in Olney, Ill., the learning skills center which had been planned during the first year of ACCTion involvement, became operational in the second year upon the hiring of a director and assistant director with college funds. With the acquisition of audiovisual materials in six skills areas, the center is able to provide assistance to students both for credit courses and with individual tutoring. The college also planned a child care center with ACCTion's help. This is now operational and serves 40-50 students annually.

Tompkins Cortland Community College in Dryden, NY has used the ACCTion Community Services Data Bank for the development of new off-campus programs, especially some designed specifically for women. The college has experienced a 20 percent growth in the enrollment of the "nontraditional" student, primarily in

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noncredit programs. Because of this expansion of the community services program, an additional staff member has been provided for in the college budget.

Maria Regina College in Syracuse, NY has been working with the Student Development ACCTion Center. The college has concentrated on strengthening counseling and career guidance services. The college now has a system of counseling interns who offer workshops in career guidance and assist with job placement. Special emphasis on recruiting nontraditional students has brought about the enrollment of 50 part-time mature women. A career counseling center established after an ACCTion workshop and consultation is now used by 60 percent of the college's students. The college has also trained and appointed resident assistants to counsel students about all aspects of dormitory and college life. In addition, skills development courses in communications, mathematics, and reading and student skills; diagnostic testing; and a new learning laboratory and improvement in the visual education aids center are new programs initiated with expertise gained through ACCTion programs.

Iowa Western Community College in Council Bluffs, IA, has established a women's center as a result of ACCTion involvement. In addition, there has been a 10 percent increase in enrollments in the rural areas and four new staff members have been hired. As a result of an internship sponsored by ACCTion on Adult Basic Education/General Educational Development test, Iowa Western is now using a diagnostic/prescriptive approach to individualizing programs for students in its learning center.

At Kirkwood Community College, Cedar Rapids, IA, an instructional design center (IDC) has been established. This has facilitated the coordination of resource-related activities with the instructional design activities carried out by the IDC staff. Kirkwood has also implemented a program leading to a General Student degree. Eighteen students are currently enrolled in this new program. An educational telenetwork delivery system has been introduced at six locations with an enrollment of 270 students. In addition, the technique of cognitive mapping (determining student learning styles) is now being used to assist agricultural and dental students.

Dawson Community College in Glendive, MT has established a branch campus on the Ft. Peck Indian Reservation about 125 miles from the main campus. Through this program, courses at Ft. Peck are given for credit toward a certificate or a degree. About 200 students are enrolled. And with this new program Dawson reports an increase in off-campus enrollment of 33 percent.

Bay de Noc Community in Escanaba, Mich., through ACCTion's assistance was able to develop a labor studies program. With ACCTion funds, they visited an exemplary site for a well-developed labor studies program. Bay de Noc now has a labor studies advisory committee, and several courses, which eventually will make up a labor studies curriculum.

ACCTION'S EXTERNAL EVALUATIONS

The ACCTion Consortium had in its first three years of operation three external, third-party evaluators. Each of them have reported positive and constructive results at the institutions. Each of them has highly complimented the consortium for what it is doing to assist institutions in their search for strengthened change.

The first-year evaluation was completed by Tadlock Associates, Inc. of Los Altos, CA. They commented that "compared to a broad spectrum of federal projects which TAI has evaluated, we find this project absolutely superior when its operation is judged by impact related to resources available." In their evaluation interviews, TAI received comments from colleges such as:

"If we've got a problem, they are back to us immediately."

"Above all they helped us create the climate for change on this campus."

"They care—they really care—and they really help."

"They didn't do it for us; they helped us to realize we could do it ourselves."

"We were unhappy in the beginning—but they made no excuses; they just changed what was wrong and gave us what we needed."

"They don't pose as experts—just as co-equal professionals who are ready to share with us."

In addition, TAI commented: "Although the scope of this evaluation did not permit a cost/benefit analysis, TAI judges this project to be one of the most effective it has seen. At a cost per school within the small grants range of $8,800, literally hundreds of programmatic and operational changes have been effected which will be sustained by the institution's own funds. Further, about half of the schools interviewed noted that they had supplemented the project funds with additional resources.

And again, "Despite its catalytic action in initiating a large number of actual changes within the client schools, its overwhelming success has been to change the climate at many schools and to set high expectations for tangible results to follow."

Educational Consultants, Ltd., Manhattan, Kansas, ACCTion's second-year evaluator, noted that colleges assigned persons at the college expense to efforts associated with ACCTion. They estimated that one full-time faculty/administrative person and 0.5 secretarial/clerical person on the average were assigned to ACCTion efforts. "Given that these figures are likely underestimates, the results were quite striking. Institutions clearly have been stimulated to contribute substantially in salary resources to the ACCTion effort, a strong indication that they have been made aware of, and value, its goals. Institutions rarely provide scarce resources to programs they feel unworthy of support."

Again, "if cost effectiveness can be viewed at least partly as maximizing program effort for dollars spent, it seems the ACCTion program is a very efficient one. On the whole, Educational Associates, Ltd. finds ACCTion to be a strong, influential, and cost-effective consortium. The quality of ACCTion technical assistance is consistently extremely high. The centers work well with the coordinating office and with the institutions. ACCTion is characterized by sensitivity to institution needs, receptivity to feedback, sound judgement in the choice of assistance, personnel and activities, and the application of good management principles. The consortium seems to have stimulated substantial activity, awareness, and support for institutional development in the institutions themselves, considerably magnifying the impact of the dollars spent for assistance (the hallmark of a cost-effective project)."

The third-year external evaluator for ACCTion was Enterprises for New Directions, Inc., of Washington, D.C. A summary comments from them states: " * * * the ACCTion Consortium has produced desirable effects on the 114 two-year postsecondary institutions affiliated with the consortium. The institutions have demonstrated change, growth, and development in one of the four functional areas of operation: community services, instruction, resource development, and student services. Affiliation with the ACCTion Consortium is providing campus personnel with the skills and techniques to bridge the gap to the mainstream of higher education."

They particularly noted ACCTion's effectiveness in the following areas:

In accomplishing the purpose of a consortium.

In providing opportunities for interaction for personnel in the ACCTion-participating colleges.

With personnel in other ACCTion participating institutions.

With outside consultants.

With personnel in nonparticipating institutions.

In meeting many of the needs of affiliated two-year colleges in a relatively efficient, cost-effective, and timely manner.

In providing ACCTion participating institutions with information and resources related to the four functional areas: community services, instructional, resources development, and student development services.

In upgrading staff skills and strengthening programs in the four functional areas.

In increasing staff knowledge and awareness of the potential for the development in one of the functional areas.

In conducting needs assessments for each of the participating institutions.

In developing evaluation instruments for each form of technical assistance offered.

In addition, they commented on the major findings for each of the four college functional areas in which ACCTion is working:

For Resource Development:

For some colleges, exposure to personnel at other institutions and the opportunity to share has been the greatest asset of belonging to ACCTion.

Cooperative relationships with other institutions have developed as a direct result of ACCTion.

Administrators are generally very aware of ACCTion goals and objectives and act in supportive roles.

Faculty tend not to be knowledgeable about resource development, except at colleges that have emphasized increasing the role of faculty in securing resources.

A management team approach has been begun at many colleges as a result of an ACCTion conference attended last year and the approach used during Regional Conferences wherein a team of campus representatives are encouraged to attend and required to devise some plan for implementation upon their return.

The Resource Information Center is an excellent source of information and a resource that the colleges depend on.

The geographically isolated schools are less able to handle a large number of activities and are less likely to take advantage of the multiple Center membership if offered.

Colleges receive a personal response from Center staff.

Material used is generally well thought out.

Some colleges have seen little increase in dollars, while others estimate a 5 percent to 10 percent increase as a direct result of ACCTion.

The Resource Development offices at the colleges will be operating at a much better level.

Center staff are highly rated, and it is felt that management of the Center increases in effectiveness each year.

Colleges are estimated to be four years ahead of where they would have been without the impetus and tools provided by ACCTion.

Personnel are no longer awed by the "system" (refering to the Office of Education and other Federal governmental agencies).

For Student Development:

ACCTion has provided ideas which the colleges have put into practice.

Affiliation with ACCTion has provided opportunities for colleges to see how good they really are, to gain confidence in what they are doing.

ACCTion has demonstrated shared decision-making, which has affected administrative functioning at the colleges.

ACCTion has provided an awareness of the value of counseling; colleges feel that this and other things learned from ACCTion will improve their student retention rates.

Colleges have allocated more money to student services than they did prior to their affiliation with ACCTion. One college reported doubling its administrative budget to provide additional support for student services.

Affiliation with ACCTion has resulted in the college staffs' working more as teams.

Presidential attitudes toward student services have improved as a result of ACCTion activities.

ACCTion has provided professional growth for staff members, enabling them to get special training and skills needed to help students.

Affiliation with ACCTion has produced more emphasis on students at participating institutions.

Some colleges reported that the entire faculty met for the first time, a suggestion of the ACCTion staff.

Students have been directly affected as student services personnel learned how to run workshops for students.

Students have become involved in the process of evaluation, which in some cases has led to the revision of the student government.

Although changes would probably have occurred eventually, they have been speeded up by the affiliation with ACCTion.

ACCTion's services are assessed as being of very high quality. Personnel have extensive experience in student development and know the problems of institutions.

For Community Services:

ACCTion has opened minds, broadened horizons, and stretched imaginations. There are many areas of community service.

Colleges have been provided the opportunity to share ideas so that they do not reinvent the wheel; they are serving more people with a broader scope of services; they now see the potential of community services.

Some colleges now use retreats for accomplishing an activity, such as working out a course schedule. The idea of facilitating these activities through working at another site was learned through ACCTion.

ACCTion is highly service oriented.

ACCTion represents reassessment and change.

Change would probably have occurred eventually; ACCTion has made it happen faster and in a more orderly manner.

ACCTion fulfills the need for an organization that will bring college personnel together to talk to each other.

ACCTion has been invaluable for training coordinators in what can be accomplished with a strong community services program.

ACCTion serves as a valuable resource agency; in fact, it is hundreds of resources rolled into one.

Participation in ACCTion has been a catalyst in the process of finding and trying new programs and sharing ideas with others.

Some ACCTion participating colleges have doubled student enrollment in the community service programs.

Many programs instituted at these colleges were first learned about at ACCTion workshops.

For Instruction:

ACCTion has extended and opened communication among colleges in the consortium as well as among colleges consulted outside the consortium.

ACCTion has fostered staff development by enabling faculty to visit exemplary programs in instruction and to attend workshops on current and timely topics.

ACCTion has enabled faculty to communicate with peers.

ACCTion has provided the opportunity for colleges to gain a perspective about where they are in relation to other similar colleges.

Exemplary site visits and the use of outside consultants has opened communications with institutions outside ACCTion's member institutions.

Consultants have been competent and have performed in a professional manner

Involvement with ACCTion has resulted in a significant reallocation of resources into the instructional area.

Because of ACCTion, there is continuous reassessment of the curriculum.

Colleges have received more services with greater creativity than they would have been able to generate by themselves.

Accreditation has been achieved more rapidly than expected; colleges attribute this to the improvements apparent at their institutions as a result of ACCTion's involvement.

There is a greater acceptance of staff development activities since these colleges have become affiliated with ACCTion.

ACCTion is oriented to innovations; some institutions feel that there is not enough emphasis on learning theory or on the basics.

ACCTion is viewed as having more impact than any other Federal program.

There is a need for programs to train support staff to work with faculty.

ACCTion programs have united younger and older faculty members.

ACCTion works with colleges on relevant issues.

Exposure at regional workshops has led colleges to the realization that they are not doing a great job in some areas.

WHY CONSORTIA SHOULD REMAIN PART OF THE TITLE III PROGRAM

Consortia should remain part of the Title III Program for the following reasons:

1. Consortia have proven their success at helping to pull institutions out of isolation and helping to put them into the mainstream of American higher education. The interactive and interdependent nature of consortia activities attest to this fact.
2. Consortia have been successful at strengthening colleges in those areas where college self-analysis has indicated there is need for external help.
3. Consortia have proven that they can be very cost effective in terms of the results and outcomes achieved compared to the money spent.
4. Consortia arrangements such as ACCTion provide "incentive funds" for the colleges. Our second-year external evaluator, Educational Consultants, Ltd., conservatively estimated our colleges voluntarily gave more than $1,000,000 (most in-kind) to match the $1,460,000 federal grant that year. This stimulus greatly multiplied the effect of each federal dollar.
5. Consortia are able to provide for the strengthening of numerous colleges that have limited resources but unlimited educational needs.
6. Consortia have proven that colleges can be strengthened and accomplish significant results without large grants.
7. Consortia have been successful as acting as catalytic agents for important and substantive change on college campuses. It has been proven time and time again that most institutional change comes about because of external forces rather than internal ones.
8. Consortia with a multifaceted program of technical assistance, delivered in a continuous and systematic way, serve as a "monitoring" agent for college change.
9. Consortia foster participation in a network of cooperation, sharing, and exchange of ideas and information, which will continue to be a source of change for participating colleges.
10. Consortia work with a variety of institutions at the postsecondary level. This variety helps colleges to compare and contrast themselves with other colleges and to gauge the quality and substance of their programs.

11. Consortia provide for a very focused effort on particular problems at participating colleges. Consortia arrangements, such as ACCTion, assist colleges in the development of very individualized goals and objectives to be achieved.

12. Consortia foster interinstitutional communication and provide colleges with the opportunity to reinforce or to validate some of the programs or activities they are conducting.

RECOMMENDATIONS FOR TITLE III POLICY AND OPERATION

In the past few years the Title III program has had numerous problems, not the least of which was the lack of leadership at the director's level for more than a year. I now see signs of a much stronger program with a new sense of efficiency and effectiveness, given the bureaucracy within which it must work. I should like to commend the new director, Dr. Edward J. Brantley, for his continuous courteous and helpful responsiveness and interest in the problems facing consortia. Under his leadership I am sure that the reorganization of the Title III program will be skillfully administered and that results and outcomes will be the hallmark of his administration.

In order to accomplish this, I believe it will be necessary to increase the authorization for the Title III program and to increase the funding for the Title III office itself. One of the real problems has been the understaffing of the Title III program. Increased funding for the office will allow for more monitoring of Title III grants and lead to a much improved delineation of the results and outcomes of the program.

Certain aspects of the Title III program pertaining especially to two-year colleges are also of special importance to the ACCTion Consortium. One, we would hope that the Congress would once again, as in the past, provide for a set-aside of Title III funds for two-year colleges. We support the testimony of the American Association of Community and Junior Colleges which speaks to the need for continuation of a set-aside, based upon a number of reasonable arguments.

We would hope that some additional time and effort could be spent on arriving at a definition of "developing" institution. Current rules and regulations are restrictive in their definition and the controversy surrounding that new definition indicates that further public debate may be necessary.

We would hope that the Title III Advisory Committee would continue to have in its membership representatives of two-year institutions. Also, that the separate and distinct determination of eligibility for two-year and four-year colleges be maintained as well as the separate application reader process for both types of institutions.

Finally, we suggest that consideration be given to the development of special application guidelines for consortia. For the most part, present guidelines relate more to colleges applying for bilateral arrangements.

APPENDIX.—GENERAL RESULTS AND OUTCOMES, FOUR ACCTION CENTERS, 1977-78

(From External Evaluation Report, Prepared by Enterprises for New Directions)

COMMUNITY SERVICES ACCTION CENTER

The following conclusions relate specifically to the Community Services ACCTion Center. These conclusions are derived from two sources and are thus divided into two parts: first, conclusions from the survey data analyzed in Chapter IV; second, a summary of the major results/outcomes detailed in the case studies in Appendix 6, pp. A-108 through A-126.

CONCLUSIONS

Significant positive change in the establishment of goals and objectives is indicated by the personnel at the institutions affiliated with the Community Services ACCTion Center.

These institutions indicate that ACCTion has had a significant impact on their efforts to structure and organize community services programs and to develop appropriate evaluation techniques for these programs.

ACCTion is responding to changing needs and national trends in higher education, specifically in the areas of women's programming and recreation/physical education.

The institutions affiliated with the Community Services ACCTion Center indicate that the Center has met their needs for program development in the areas of precareer education/secondary level, distributive education, and senior citizens' education. In these areas, their needs are significantly less than they were three years ago.

The personnel at these institutions indicate that generally, the chief campus administrative officers have demonstrated a strong commitment to the ACCTion program area through the allocation of professional time and their continuing support of the program.

There is great variation in the ACCTion Coordinators' perceptions of their schools' need to change the overall community services program.

Institutional turnover in the ACCTion program area is not a problem for most of the colleges affiliated with this Center; however, there is a wide variation in the adequacy of institutional staff size to perform the necessary functions, as perceived by these colleges.

There is general agreement that the involvement of the chief campus administrative officers has a pronounced effect on the achievement of ACCTion goals.

ACCTion Coordinators feel that the community services program is not accorded a very high priority in relation to other institutional priorities.

The ACCTion Coordinators and the chief campus administrative officers agree on the high quality of the Center's service delivery.

Of special note are the very high ratings given by the Coordinators to the upgrading of staff skills and to the strengthening of programs at the institutions.

Center staff members are unanimous in their overall negative response to the possibility of multiple Center memberships. They indicate that the overall impact of ACCTion would be weakened with further proliferation of component services.

SUMMARY OF RESULTS/OUTCOMES

Outreach into the community is receiving an increased amount of time and energy from most of the colleges affiliated with the Community Services ACCTion Center.

Many colleges are opening their facilities to the community.

Many are using local business people and artisans to augment their faculty and staffs.

Many are having open house to which the local community is invited in an effort to explain the purposes of the school and obtain local cooperation with the activities.

Increases in total enrollment are a direct result of increased interaction with the community and community groups.

For the first time most institutions affiliated with the Community Services ACCTion Center have instituted community-wide needs assessments.

INSTRUCTIONAL ACCTION CENTER

The following conclusions relate specifically to the Instructional ACCTion Center. These conclusions derive from two sources and are divided into two parts: first, conclusions from the survey data analyzed in Chapter V; second, a summary of the results/outcomes detailed in the case studies in Appendix 6, pp. A-127 through A-150.

CONCLUSIONS

Working with the Instructional ACCTion program has increased the awareness of the tremendous potential for improvement in instructional programming.

Personnel at the affiliated institutions indicate that the ACCTion Center staff has provided individualized attention to each school.

Evaluation has been an ongoing process, and there have been inputs each time a Center staff member has visited a campus.

Institutions affiliated with the Instructional ACCTion Center for three years have exhibited positive progress in meeting managerial and general needs which had been identified in the original needs assessment instrument.

The Instructional ACCTion Center has had significant impact on the development of faculty and staff programs at its member institutions.

There is a general trend toward positive development in the program and technical areas for the institutions affiliated with the Instructional ACCTion Center.

The development of mechanisms for the assessment of program effectiveness has been an important outcome for these affiliated institutions. The Coordinators, chief campus administrative officers, and Center staff members view the institutions' need to change and ability to change in a similar manner.

Few of the respondents state that their schools have a great need to change the overall instructional program, indicating that ACCTion has been effective in bringing about changes with a positive impact on the instructional area.

In terms of the effect on the overall institution, the respondents indicate that the Instructional ACCTion Center has been effective in upgrading staff skills and strengthening programs.

The responses to questions assessing the coordinating and facilitating skills of the Center staff indicate that the Instructional ACCTion Center staff is viewed very positively on all variables.

The chief campus administrative officers at the affiliated colleges appear to be very supportive of the ACCTion instructional program; this is seen as having a high facilitating effect on ACCTion goal achievement.

Twenty-five percent of the ACCTion Coordinators indicated that the instructional program at their colleges is given an average or below-average rating in relation to other institutional priorities; 12% of the chief campus administrative officers rated this variable similarly.

SUMMARY OF RESULTS/OUTCOMES

Introduction to and assistance in obtaining new techniques for teaching courses are two of the most mentioned outcomes from affiliation with the Instructional ACCTion Center.

Regional and on-campus workshops have included topics on self-paced, competency-based and individualized instruction. Throughout the case studies associated with the IAC, reference is made to English, mathematics, and biology course that have been revised and expanded to include these techniques.

Instructional laboratories to assist students have been added or revised according to new skills and techniques acquired at or through involvement with ACCTion.

Staff development programs stressing long-range growth plans and faculty evaluation procedures have been included by many of the institutions.

The development of audiovisual materials, the establishment of media centers, and the training of faculty as instructional specialists are highly rated by the ACCTion Coordinators with the Instructional ACCTion Center.

The needs of nontraditional students—e.g., minorities, the handicapped, and older adults—have been addressed in workshops and have provided new programmatic approaches for the institutions.

Student surveys have been developed for incorporation as regular evaluation measures of teacher and program effectiveness.

RESOURCE DEVELOPMENT ACCTION CENTER

The following conclusions relate specifically to the Resource Development ACCTion Center. These conclusions are derived from two sources and are divided into two parts: first, conclusions from the survey data analyzed in Chapter VI; second, a summary of the major results/outcomes detailed in the case studies in Appendix 6, pp. A-151 through A-187.

CONCLUSIONS

For colleges affiliated with the Resource Development ACCTion Center for three years, significant positive development has occurred in establishing goals and objectives and in developing internal operational procedures in the area of general and managerial needs.

The institutions appear to be more involved with funding sources than they were before association with ACCTion. One of the significant changes for the institutions affiliated with the Resource Development ACCTion Center is their awareness of and contact with corporations and private foundations as potential sources of revenue. This is related to their increasing ability to locate and identify appropriate resource development information.

ACCTion has helped chief campus administrative officers to see the benefits of an organized, formal approach to fund raising and of a staff that is devoted exclusively to expanding sources of funds for the institution.

Campus personnel indicate that ACCTion has been very successful in achieving the goal of providing opportunities for two-year college personnel to interact with each other.

The development of evaluation skills continues to be a concern among both the Coordinators and the chief campus administrative officers.

The overall assessment of ACCTion services is very positive, indicating a generally high level of satisfaction with ACCTion services.

Chief campus administrative officers report a significantly greater need to change and ability to change the overall resource development program than do ACCTion Coordinators and Center staff members.

In general, ACCTion Coordinators indicate that the chief campus administrative officers at their institutions are both cooperative and involved with the ACCTion program and that their cooperation and involvement has a facilitating effect on the achievement of ACCTion goals.

Some respondents indicate that the institutional staff in the resource development program is inadequate and that this has an inhibiting effect upon ACCTion goal achievement.

Acceptance of and cooperation with ACCTion by the college's faculty and staff do not receive a very high rating. However, this rating is expected to change as more faculty members become involved in resource development activities.

The institutional staff in the ACCTion program area and the allocation of professional staff time are viewed by the chief campus administrative officers as having the most facilitating effects on the ACCTion program.

High ratings given by Coordinators and chief campus administrative officers to the continuity of relationships with the Center staff members and to the upgrading of staff skills contributes to the positive assessment of the facilitating and coordinating skills of the Center staff.

Given the responses to the survey, one overall conclusion to be drawn is that there should be a demonstrable increase in the level of outside funding.

SUMMARY OF RESULTS/OUTCOMES

Increased awareness of and involvement in fund raising by chief campus administrative officers is one of the frequently mentioned outcomes of involvement with ACCTion.

Increased space and support staff is another factor used to indicate an increase in support for the resource development activity. Prior to involvement with ACCTion, colleges often had little or no allocation of time or money to resource development activities. In some cases the types of resources readily available to the institutions were unknown (e. g., foundation directory, listings of federal grant programs, etc). New positions, such as vice-president for development, and development committees have been established.

There is a concurrent trend toward increased awareness by and involvement of other faculty regarding the seeking of additional funds. The ACCTion Coordinator usually spearheads this aspect of resource development by supplying information relevant to the different academic specialties and arranging for ACCTion-sponsored workshops and consultants on campus.

Workshops featuring proposal writing or techniques of grantsmanship are among the most frequently presented workshops sponsored by ACCTion. This type of workshop draws participants from all disciplines.

Several schools have sent faculty to Washington, D. C., to read proposals and grant applications for NSF and NEH.

There is a clear and substantial increase in the number and variety of proposals submitted by colleges affiliated with the Resource Development ACCTion Center.

Many institutions now issue, on a regular basis, a newsletter that contains selected information originally distributed by the Resource Development ACCTion Center, information on ACCTion-related activities on campus and at other institutions, and notes on faculty and staff activities.

One of the most frequently cited benefits from ACCTion participation is the developing or strengthening of an institution's foundation and/or endowment fund.

STUDENT DEVELOPMENT SERVICES ACCTION CENTER

The following conclusions relate specifically to the Student Development Services ACCTion Center. These conclusions are derived from two sources and are divided into two parts: first, conclusions from the survey data analyzed in Chapter VII; second, a summary of the major results/outcomes detailed in the case studies in Appendix 6, pp. A-188 through A-216.

CONCLUSIONS

Significant positive changes occurred in colleges affiliated with the Student Development Services ACCTion Center in the areas related to establishing philosophy, goals and objectives; design and organization of the program in accordance with the philosophy, goals and objectives; in-service staff development and training; and evaluating student development programs and services.

All general and managerial needs variables showed greater development for colleges affiliated with this Center for three years.

Significant development was recorded for student information systems; staff development of group counseling skills; development of counseling skills related to career development, sensitivity, and awareness enhancement; and student leadership training.

The Student Development Services ACCTion Center has had significant impact on counseling skills, program evaluation, and career sensitivity at colleges affiliated with this Center.

In terms of the achievement of overall ACCTion goals/objectives, those rated the highest are the rendering of specific and individual assistance to the colleges, the provision of opportunities for the exchange of information, and the development of the institutional plan.

ACCTion Coordinators and chief campus administrative officers indicated high levels of satisfaction with the services of ACCTion.

According to the survey results, the Student Development Services ACCTion Center has been very effective in involving the chief campus administrative officers and other campus personnel in the ACCTion program. However, in terms of the acceptance of and cooperation with ACCTion by the chief campus administrative officers, this opinion is not shared by the ACCTion Center staff.

There is a wide variation in the assessment of the variable relating to staff turnover and its effect on the achievement of the ACCTion program area goals. The ACCTion Coordinators indicate that it has an inhibiting effect, and the chief campus administrative officers are almost evenly divided among the opinions that it is inhibiting, has no impact, and is facilitating.

Both the ACCTion Coordinators and the chief campus administrative officers view the skills of the ACCTion Center staff as facilitating the achievement of the goals of the ACCTion program at their institutions.

The responses to the question relating to the dissemination of information indicate that the personnel at the institutions feel that they are receiving too much material at this time.

SUMMARY OF RESULTS/OUTCOMES

The development of nontraditional programming stands out among the achievements of schools associated with the Student Development Services ACCTion Center. Most of the affiliated institutions are experiencing changes in the composition of their student bodies.

Interaction with representatives from other similar institutions is listed as a very important outcome of ACCTion involvement.

ACCTion Coordinators have been able to share their problems with and explore potential solutions with others who have had the same experiences.

Visitations to exemplary programs provide the Coordinators with opportunities to observe at first hand the implementation of successful relevant programs.

New approaches to recruitment and retention of students is another frequently cited need which is being met by ACCTion services.

Contacts with high schools and the local community have been explored by many colleges.

Follow-up studies have been instituted and adaptations of services and programs are based on the responses obtained in these studies.

On-line computerized registration systems and phone-in registration programs are being introduced on many campuses.

Counseling and advising programs have been expanded into the evening hours to accommodate more students.

Faculty are receiving career-guidance training in order to improve the quality of service to students.

Women's programs, health service programs, and developmental studies programs are being offered.

New management and admissions procedures have been emphasized, including training for administrators in developing a statement of institutional philosophy and goals.

Planning skills are being strengthened.

The development of team management techniques has affected decision-making processes.

STATEMENT OF RICHARD WITTER, EXECUTIVE DIRECTOR ACCTION CONSORTIUM

Mr. WITTER. Mr. Chairman, members of the committee: I, too, am very glad to be here this morning, especially in light of some of the testimony which was presented this morning regarding consortia and assisting agencies.

I would like, first, to give a brief review of the ACCTion Consortium, something of its structure and how it works. Then, I, too, would like to refer to the three items that were indicated in the committee's letter to me, that is the strengths of the consortia, something of the results and outcomes, some of the ways in which we have helped to strengthen institutions, and something of why we feel consortia should remain as a part of the title III program.

The ACCTion Consortium began in July of 1975. It has been structured in such a way that it has four coordinating institutions, Kirkwood Community College in Iowa, Tri-County Technical College in South Carolina, Brevard Community College in Florida, and Hesston College in Kansas. Each of these four coordinating colleges is responsible for a basic area of activity.

The consortium works in four areas, namely, community services, instruction, student development, and resource development. In addition to those four technical assistance centers, there is a coordinating office located here in Washington, D.C.

I would like to say at this time that this coordinating office is not an assisting agency, as I am sometimes hearing people refer to it. The coordinating office is funded as a part of the grant which goes to Kirkwood Community College, and the employees of that office here in Washington are employees of Kirkwood Community College, and not of any outside or external kind of firm or organization with which Kirkwood is contracting.

We have been hired to perform the duties of a coordinator's office, just as a full-time coordinator might perform for a bilateral grant within the title III program.

We do have a board of seven members, who operate to watch after us in terms of policy and how we are proceeding with our work. I guess I would say that the basic purpose of the consortium is to help improve and strengthen the staff, program and organizational effectiveness of the institutions.

As to the strength of the consortia, we, too, feel, as Mr. Englund does, that the consortia are cost effective. Here is a way to assist many institutions that have not been able to receive funds under the title III program. There are always many more requests from institutions than there are funds available. Here is a way to assist institutions that way, and it is a way to get at the problem of limited economic resources, and yet unlimited educational needs.

We find, too, that the consortia are cost effective in that they provide incentive funds for the colleges. In our second year external evaluation, for example, we found that nearly $1 million, mostly in kind, was being contributed by the institutions. That is, the work of the consortium had generated that kind of extra service, help, and income by the institutions to work and carry out the kinds of things that they were trying to do, to achieve the goals and objectives that they had set for themselves.

We found also that it had generated at least one full-time equivalent person, either a faculty member or an administrator, to carry out the consortium efforts, and a half-time support person.

I, too, concur with Mr. Englund when he says that the consortium arrangements helps to pull institutions out of isolation, one of the very direct mandates of the legislation. There is an interactive and interdependent nature among the institutions in the consortium, which tends to help pull them out of the isolation of their own local communities.

There is a transfer of knowledge, an exchange of ideas and information, which again is a medium to help pull them out of that isolation. Institutions are able to compare and contrast themselves through various kinds of group training, and they are able to develop all kinds of communications networks, which we think will continue long after the consortium has ceased to exist.

Third, we believe that the consortia act as a substantive, external catalyst for positive and constructive change within the institution. Numerous studies on change have indicated that more change is likely to take place from external forces than from internal ones. We believe that the consortia bring about an effective kind of continuous and on-going systematic contact with the institutions, and do provide for a kind of monitoring for the achievement of the goals and objectives that they have set for themselves.

Fourth, we, too, believe that the abilities and talents and skills of the staff of the consortium give a kind of collective, professional knowledge, which helps catalyze the interchange and communication within institutions and between institutions, which provides for effective organizations.

Fifth, the consortium forces institutions to be more aware of their needs. We conduct, with our institutions, a major needs assessment each year. It helps them to be constantly aware of their needs, and at the same time to be aware of the priorities within the many needs that they might have.

Lastly, I would say that the consortia have brought about significant results and outcomes at small cost to the Federal Government. Our program this year is funded at a level of $1.426 million for 116 colleges. That averages out to about $12,300 per institution. I would refer you to the listing of numerous results and outcomes that we have presented in the written testimony.

To give you some idea of results and outcomes, I would like to cite a few examples from some of the institutions.

In Michigan, a state which is often noted for its interest in labor problems and concerns, at Bay de Noc Community College, which is a member of our consortium, they have developed a full labor studies program. It is now an on-going part of their curriculum.

In Iowa, at Kirkwood Community College, they have developed a general studies degree, and have introduced the technique of cognitive mapping, a way of determining student learning styles. They have also introduced an educational telenet, that is a telephone network which extends into six locations; this is now serving several hundred students.

In New York, at Tompkins Cortland College, they have succeeded in developing new off-campus programs closer to student clienteles. There has been a 20 percent growth in enrollment of the nontraditional kinds of students that might be attending these off-campus programs.

In Illinois, at John A. Logan College, we have assisted in the development of their long-range planning capabilities. Their adult and continuing education classes have increased considerably; they have been able to hire seven new community coordinators, and have added seven new advisory committees. Also, there is a new handbook for all instructors in the Division of Adult and Continuing Education.

In Connecticut, at Mohegan Community College, they have established a position of resource development officer for the first time as a paid position within the college budget. I might say that a number of institutions have increased their personnel in the area of resource development.

In Alabama, at Alabama Christian College, one of the small private colleges in our consortium, 1,000 students have been tested in the area of cognitive mapping. because of that the college has made substantive changes in the developmental English and math programs, including some self-paced formats.

They have also, for the first time, established criteria for the hiring of part-time faculty, and established a handbook especially for this part-time group.

I was very pleased to hear Congressman Williams testify because at Dawson Community College, which he mentioned, we have been able there, through a consultation and through some workshops, to help Dawson establish a branch campus on the Fort Peck Indian Reservation, which is now serving several hundred students.

They are offering courses both toward a certificate and a degree. The tuition charge is $10 per credit hour, $8 of which is returned to the reservation education council for their use.

Finally, as to why consortia should remain a part of title III, I guess we could ask ourselves the question: How may colleges be strengthened? We might say:

> Well, they can do it on their own, or they could do it with the help of another single agency, or they could do it as a part of a larger group, something called a consortium.

If you look at those three alternatives, which are three alternatives which now exist within the title III program, we believe that the consortia has been an effective agency to help bring about change and strengthening in the institutions.

The consortia have helped pull colleges out of isolation, and helped put them into the mainstream as the legislation asked. The consortia have strengthened institutions, and helped to improve their programs in all kinds of areas. The consortia have proven themselves to be cost effective, with the use of incentive funds, when results are compared to money spent.

The consortia have provided the opportunity to serve many more colleges than might have been served within the title III program. The consortia have strengthened the institutions without large grants of money.

The consortia have served as effective outside catalytic agents, helping institutions to look at goals and objectives, and determining which direction they might want to go. The consortia have been an effective monitoring agent for change with this continuing kind of contact they have with the institution.

The consortia have fostered networks of cooperation and sharing, and there has been great development of intercommunication, interinstitutional communication.

The consortia, too, have helped with a variety of institutions. They have helped colleges to compare and contrast themselves and perhaps to even reinforce and validate what the colleges themselves were trying to do.

The consortia have provided, lastly, for a very focused effort on very specific needs of the institutions.

Thank you.

Mr. BUCHANAN. Mr. Van Allen.

[Material submitted by Mr. Van Allen follows:]

TACTICS
Impact Report
1971-1979

To:
THE CONGRESSIONAL SUB-COMMITTEE
ON POST SECONDARY EDUCATION
MARCH 28, 1979

THE HONORABLE WILLIAM D. FORD, CHAIRMAN

TACTICS
2001 S Street N.W., Suite 503
Wash. DC 20009 Phone 202/232-7738

INTRODUCTION

This document attempts to set forth certain of the developmental accomplishments that have been realized by the colleges and universities that have been, and are presently being, served by the TACTICS program.

More specifically, this work represents an effort to identify areas of institutional experiences that have been clearly impacted by the TACTICS program over the last seven and one-half years of its operation.

During this period of time, the TACTICS mechanism itself has had to evolve its program and service emphases in keeping with the development of the institutions being served. This evolution is evidenced by the fact that the first three years of this program were spent in helping institutional personnel to update their background information, skills, and techniques related to their disciplines, administrative functions, etc., to the end that they might be able to do a better job for their institutions. This period (1971-1974) was later termed the Professional Development Period, TACTICS I.

After three years of concentrated effort under the TACTICS I program and service emphasis, the institutional personnel turned their attention to utilizing their updated information and new skills and techniques to redress certain of the relevant problems and concerns that were negatively affecting the effectiveness of their institutional program efforts. Toward this end, the focus for TACTICS and the institution was on institutional developmental needs. This phase extended over the period 1974-1977 and was termed TACTICS II, Institutional Development.

In 1977, the institutional personnel began to direct their institutional strengthening efforts to the objective of goal achievement.

The motivation behind this emphasis was in response to the question, "How can one further assist institutions whose personnel have had their discipline backgrounds updated, and their skills and techniques sharpened?"

The answer to this question was that such institutions and their personnel could and should be encouraged to give more of their energies to Institutional Goal Achievement.

It is this phase of the TACTICS program that is operational now. It is called Institutional Goal Achievement, TACTICS III. This emphasis is presently in its second year, and institutions are being helped to focus on the achievement of such goals and objectives as relate to increasing the number of persons educated, increasing the range of educational offerings, and increasing the quality of the graduating product.

The information that follows, as stated previously, is selected for illustrative purposes. The first part of this document accounts for certain developments and impacts occuring between 1971-1975.

The remainder of the information in this document comes out of the forementioned period as well as the period from 1975 to the present.

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TACTICS

TACTICS (Technical Assistance Consortium To Improve College Services) was established in 1971, at the request of the presidents and chancellors of the historically Black colleges and universities of the nation. Its establishment was a response to the felt needs of the leadership of these institutions for a planned, systematic, and long term approach to meeting the technical support needs of their colleges and universities.

The establishment of a separate system (TACTICS) for meeting these technical support needs was necessitated by the fact that these colleges and universities, unlike their more affluent counterparts, had not been able to accumulate within their individual operations, the extra funds, nor the extra personnel, such as would allow them to take care of their technical assistance needs without seriously disrupting some other parts of the institutional operations.

Faced with these deficits, the institutional leadership, with the establishment of the TACTICS Program, sought and brought together the needed expertise for meeting the technical assistance needs of their colleges and universities through the formation three consortia, namely, a consortium of Assisting Agencies comprised of The Moton Memorial Institute, Inc.; The Institute For Services To Education, Inc.; The Phelps Stokes Fund, Inc.; The United Board For College Development, Inc.; and University Associates, Inc.; a consortium of five coordinating colleges which are presently Lane, Livingstone, Oakwood, Paine and Stillman; and a consortium of technical program and service delivering components, namely, Cooperative Academic Planning (CAP); Management Information Systems (MIS): Academic Administration Programs (AAP); Library

Administration/Educational Technology (LA/ET); Program Support Services (PSS); Management Development Program (MDP); Moton Consortium on Admissions and Financial Aid (MCAFA); and The Moton Foundation and Federal Relations Program (MFFRP).

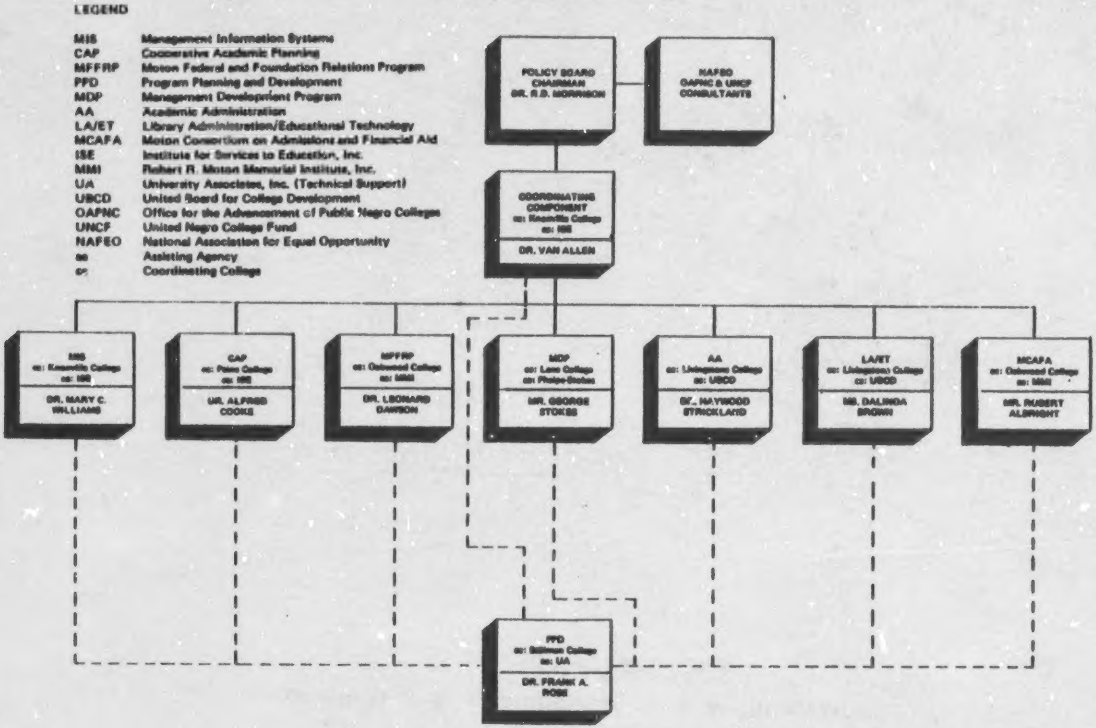
The Assisting Agencies, in cooperation with the Coordinating Colleges, provide the backup support for both the programmatic and fiscal aspects of the programs and services delivered by the several service components to the colleges and universities served.

The program and service delivery components each respond to institutions having need of their particular specialties, resulting in the formation of at least seven consortia of colleges and universities.

This complex of Assisting Agencies, program and service components and Coordinating Colleges, cooperatively plan, develop and deliver the requested technical programs and services to the recipient colleges. This arrangement represents a bringing together of the accumulated experiences and expertise of agencies and their personnel in a context designed to meet the technical program and support needs of the institutions served without these institutions having to seriously disrupt their internal operations. This arrangement makes available to the institutions served programs and services that are from the collective talents of the Assisting Agencies, component personnel and the Coordinating College personnel. The team approach is employed in the program and service evolvement at the ideation, conceptionalization, planning, and development and delivery levels.

The relationship of TACTICS to its constituent institutions is a continuous one, wherein the components have the responsibility of not only delivering needed programs and services, but also following through to see that such programs and services are effective. This program is presently in its eighth year.

TACTICS Organization Chart

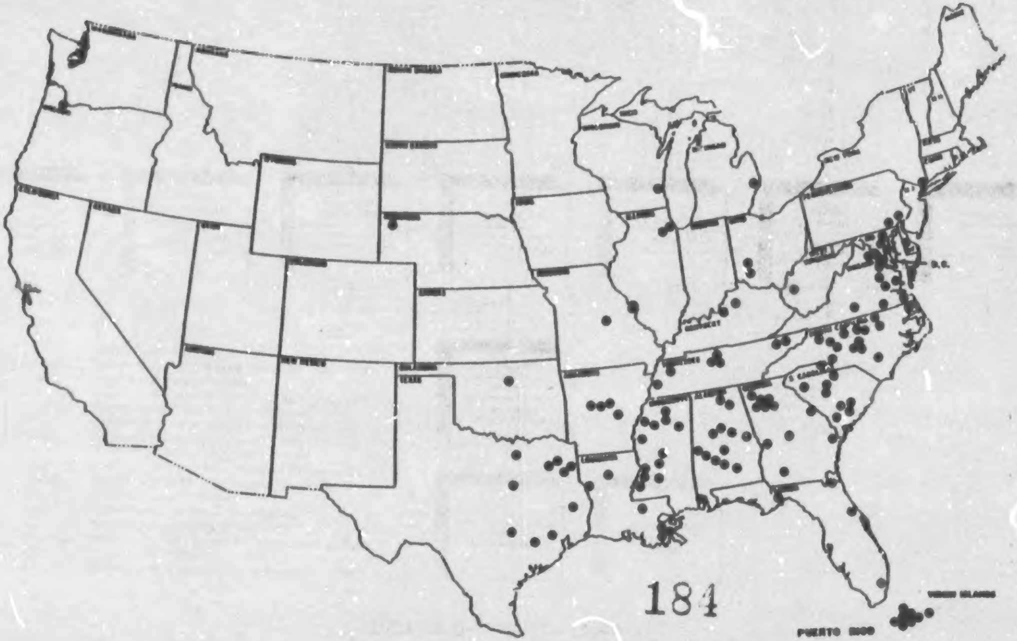


LEGEND

MIS	Management Information Systems
CAP	Cooperative Academic Planning
MFFRP	Moton Federal and Foundation Relations Program
PPD	Program Planning and Development
MDP	Management Development Program
AA	Academic Administration
LA/ET	Library Administration/Educational Technology
MCAFA	Moton Consortium on Admissions and Financial Aid
ISE	Institute for Services to Education, Inc.
MMI	Robert R. Moton Memorial Institute, Inc.
UA	University Associates, Inc. (Technical Support)
UBCD	United Board for College Development
OAPNC	Office for the Advancement of Public Negro Colleges
UNCF	United Negro College Fund
NAFEO	National Association for Equal Opportunity
aa	Assisting Agency
cc	Coordinating College

POLICY BOARD
CHAIRMAN
DR. R.D. MORRISON
NAFEO
OAPNC & UNCF
CONSULTANTS
COORDINATING
COMPONENT
cc: Knoxville College
aa: ISE
DR. VAN ALLEN
MIS
cc: Knoxville College
aa: ISE
DR. MARY C.
WILLIAMS
CAP
cc: Paine College
aa: ISE
MR. ALFRED
COOKE
MFFRP
cc: Oakwood College
aa: MMI
DR. LEONARD
DAWSON
MDP
cc: Lane College
aa: Phelps-Stokes
MR. GEORGE
STOKES
AA
cc: Livingstone College
aa: UBCD
DR. HAYWOOD
STRICKLAND
LA/ET
cc: Livingstone College
cc: UBCD
MS. DALINDA
BROWN
MCAFA
cc: Oakwood College
aa: MMI
MR. RUBERT
ALBRIGHT
PPD
cc: Stillman College
aa: UA
DR. FRANK A.
ROSE

Locations of Developing Colleges & Universities Served by TACTICS


D.C.
VIRGIN ISLANDS
PUERTO RICO

TACTICS Program Update
1971 - 1975

Background

TACTICS (Technical Assistance Consortium To Improve College Services) was established in FY 1970-71, at the request of the historically Black college and university presidents, for the purpose of addressing the technical program and service needs of these institutions, and in the process, achieve the following strengthening objectives.

- Develop pools of deployable manpower capable of dealing with specific institutional problems
- Academic programs
- Establish closer inter-face between institution and federal programs
- Disseminate information on federally funded programs to the colleges and universities
- Assist the colleges in becoming recognized as a national resource

To the end of achieving the above objectives, TACTICS was initially funded on March 26, 1971, with the following comments by the then Commissioner Dr. Sidney P. Marland:

> The program [will be] known as the Technical Assistance Consortium for the Improvement of College Services, consist[ing] of six consortia with total membership of 84 developing colleges. Within each consortium a developing college will serve as program coordinator and administer the funds provided under Title III of the Amended Higher Education Act of 1965 ... Strengthening Developing Institutions[1]

The announcement continued:

> By developing the technical know-how to generate academic reform, improve management systems, [and] better recruitment and admissions procedures, these groups will be able to strengthen the voice of Black colleges in the higher education community[2]

---

[1] HEW News Release (Friday, March 26, 1971)

[2] Ibid.

As to anticipated outcomes Dr. Marland noted:

> This kind of inter-institutional cooperation can also serve as a model for the future when pooling of efforts by other colleges through out the country is likely to be necessary for their survival.[3]

In terms of more specific objectives for the TACTICS program where meeting the needs of the colleges was concerned, the following were delineated for TACTICS program emphasis:

- Securing more federal funds
- Bringing needed academic reforms
- Instituting improved development and management systems
- Improving recruiting and admissions procedures
- Revising and changing curricular offerings
- Establishing an effective data system on Black colleges
- Providing technical support services to get the various tasks done

The operational arrangement for the TACTICS program contains the following elements:

- The TACTICS Policy Board
- The Coordinating Office
- The Coordinating Colleges (6)
- The Assisting Agencies (5)
- The Service Components (7)
- TACTICS Component Support Service (1)
  (See Organizational Chart on page 25)

The Assisting Agencies, service components, coordinating colleges and program and service specialties are recorded below:

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[3] Ibid.

Assisting Agencies	Service Component(s)	Coordinating College(s)	Program(s) and Service(s) Delivered
Moton Memorial Institute	Moton College Service Bureau (MCSB)	Jarvis Christian College	. Proposal Stimulation & . Federal Agency Relations
Moton Memorial Institute	Moton Consortium on Admissions & Financial Aid (MCAFA)	Saint Paul's College	. Recruitment . Admissions . Financial Aid . Retainment of Recruits
Phelps-Stokes Fund	Management Development Program (MDP)	Bethune-Cookman College	. Management Systems . Institutional Management
United Board for College Development	Academic Administration (AA)	Tougaloo College	. Academic Administration
United Board for College Development	Library Administration & Educational Technology LA/ET	Tougaloo College	. Library Development . Resource Center Development . Educational Technology Applications
Institute For Services To Education	Management Information Systems (MIS)	Knoxville College	. College Data Systems . Computer Application . College Data Use
Institute For Services To Education	Cooperative Academic Planning (CAP)	Knoxville College	. Curriculum Development . Revision & Change . Research, etc.
Institute For Services To Education	Coordination	Knoxville College	. Coordination of Planning, Development and Delivery of Services . Monitoring Program and Service Delivery . Assessing and Evaluating Program & Service Effectiveness
University Associates	Technical Support (CSS)	Stillman College	. Research . Program Planning . Program Development . Federal Agency Relations

The TACTICS programs and services have been delivered to the colleges and universities through the means of the following means:

- Conferences
- Workshops
- Seminars
- Consultants
- Memoranda
- Newsletters
- Telephone
- Letters
- Campus visits

The numbers of colleges and universities served by each of the TACTICS components, during the first four years of the program's operation are listed below:

TACTICS Component	1971-72	1972-73	1973-74	1974-75
Management Information Systems (MIS)	53	66	112	112
Cooperative Academic Planning (CAP)	25	50	50	63
Moton College Service Bureau (MCSB)	63	83	83	68
Management Development Program (MDP)	30	43	64	68
Library Administration/Educational Technology (LA/ET)	-	21	19	21
Academic Administration (AA)	28	57	24	43
Moton Consortium on Admissions and Financial Aid (MCAFA)	32	64	62	68

During the first three years of TACTICS programming the focus was on the training programs for improving the competencies of personnel in the various areas. Consequently, this phase has been termed the period of professional development.

Near the end of the third year of the TACTICS operation an assessment was done by TACTICS personnel for the purpose of determining how well institutional personnel who had participated in the various programs and services offered by TACTICS were doing in the application of their updated and new knowledges to the tasks of meeting the needs of their institutions.

The assessment revealed that, while some progress was being realized, leadership problems, institutional priorities and institutional inertia were creating significant roadblocks to the effective application of the updated and new knowledge, skills and techniques of institutional personnel.

In an effort to develop from this dilemma a workable program, it was concluded that, in order for the institutions to reap the greater benefits of their TACTICS experiences, it would be necessary to put the pieces of the puzzle together, and to do this, it would be necessary to focus the TACTICS efforts on the institution as a workable whole, rather than just the personnel of the institution, as had taken place during the first three program years. This emphasis (institutional development) was further identified programmatically as TACTICS II. (see page 6)

TACTICS II

In the process of identifying the salient tasks that had to be done to "put the pieces of the puzzle together," it was determined that "institutional development" had to be the focus. And, in order to utilize the institutional development approach the following specific tasks had to be a part of such an undertaking:

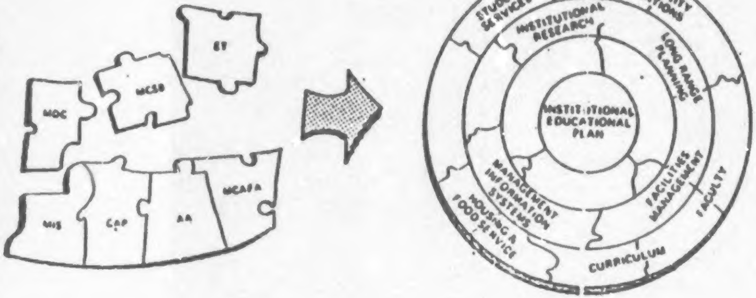
- Institutional Research
- Educational Plans
- Long-Range Planning
- Program Planning and Development
- Programmatic Linkage Formation
- Cooperative Arrangements
- Application of Management Systems
- Program Implementation Plans
- Evaluation

It was further determined that working together on the part of each institution's personnel was going to be essential to effective institutional development. And, by the same token, working together was going to be a necessary requirement for the TACTICS component personnel.

The TACTICS response to the recognition of the increased need for its several service components to work together was the inauguration of the team approach to program and service, planning, development and delivery. The process requires that each institutional problem to be responded to would be viewed or examined from a prospective context that considers how this problem affects and/or relates to the institution as a whole. For example, an enrollment problem may be caused, in part, by poor recruiting techniques; too lengthy turn-around time in the registrar's office; irrelevant curricular offerings; reputation of faculty for being insensitive to student needs, etc. Given the above example, the team approach inaugurated by the TACTICS program not only would see the component charged with helping the institutions with their recruiting problems relate to this area, but also those components concerned with processing of applications, curricular offerings and academic administration. In other words, four components end up being involved in this effort, contributing to the resolution of the problem at one or all of the following levels:

TACTICS-I

Staff Professional Development


ET
MCSB
MOC
MIS
CAP
AA
MCAFA
STUDENT SERVICES
COMMUNITY RELATIONS
INSTITUTIONAL RESEARCH
LONG RANGE PLANNING
INSTITUTIONAL EDUCATIONAL PLAN
MANAGEMENT INFORMATION SYSTEMS
FACILITIES MANAGEMENT
FACULTY
HOUSING & FOOD SERVICE
CURRICULUM

TACTICS-II

Institutional Development

Institutional Research

The Educational Plan

Long-Range Planning

Program Planning & Development

Programmatic Linkages

Cooperative Arrangements

Management Systems

Implementation Plan

Evaluation

- Ideation
- Program and service planning
- Program and service planning and development
- Program and service delivery

To support further the importance of the development of the team approach within the colleges and universities to be served, the TACTICS program process was organized so as to have a TACTICS team visit with institutional counterpart teams on some nine (9) campuses in 1974-75, and with representative teams from clusters of institutions that could not be visited individually by the TACTICS team because of limited resources.

In addition to encouraging the teaming approach to the resolution of institutional problems, the TACTICS team also utilized this means for securing sharper definitions of the problems and concerns of the colleges and universities, to the end that more effective programming could be achieved.

The sharper-problem-definition process was facilitated by three additional TACTICS component sources of information, namely:

- The MDP Management Systems Inventory
- The MIS Data Bank
- The AA Cost-Analysis, Cost-Effectiveness Studies

The MDP Management Inventory is a comprehensive instrument designed to provide a definitive reading of the state of the total institutional operation.

The MIS Data Bank is the source of historic and contemporary data relate to such indexes as enrollment, faculty ranks, courses offered, number of graduates, salary ranges, etc.

The AA Cost-Analysis, Cost Effectiveness data provides information such as course and departmental costs per student, cost per discipline; cost per faculty, etc.

In addition to having access to these sources of information, TACTICS personnel have also been privy to such information sources as:

- Institutional self-studies
- Departmental studies
- Accreditation studies
- Institutional evaluations, etc.

The programs and services provided the participating institutions during this first and second year of TACTICS II have been influenced by information output from all of the above sources.

This informational base for program and service development and delivery makes the TACTICS effort unique in higher education. And, the program's effects are significantly improved.

The information that follows encompasses indexes that attempt to present an accumulative portrayal of the TACTICS program accomplishments for the years 1971-75, in the context of "Institutional Development."

The concept of institutional development as delineated in the examples contained herein encompasses all developments that have the potential for strengthening and otherwise making the institutions more effective instruments of education.

1. The instituting of the team approach for:

   - TACTICS personnel
   - College and university personnel relating to the various areas of institutional operations
   - Development of:
     - participative management
     - institutional concerns
     - systems approach to problem resolution
     - leverage for impact
     - support for ideas

2. Identification of problem areas:

   In the second year of TACTICS operations the Management Development Component initiated the administering of a comprehensive Management Systems Inventory, designed to identify the strengths and weaknesses of the institutions.

   The development of the TACTICS program and service plans for the first year of the Institutional Development cycle saw the pulling together of the top problem areas identified through the MDP Management Systems Inventory (which, at that time [1974-75] had been administered to some forty colleges and universities). Each institution responded to the problem areas in terms of their specific needs.

3. The problem areas so identified were:

   - The need for additional funds
   - Maintaining and increasing enrollment
   - Development of long-range plans
   - Curriculum revision, change and development
   - Resource management
   - Employee leadership and executive team development
   - Improved communication and information systems
   - Curricular application
   - Performance evaluation
   - Organizational relations

Given the above broad problem area identifications, the TACTICS organization had in its possession the first really scientific data on which to base its program and service activities for its institutional constituency.

With this information outlining the areas the colleges and universities would need help with, and considering the nature of the help dictated by these need areas, it was obvious that the general objectives of TACTICS would need to be restructured.

To the above end the objectives listed below were arrived at:

4. TACTICS' II Program's strategic objectives:

- Help institutions set or redefine purposes, goals and objectives and set priorities on these in view of limited resources
- Formulate short and long-range plans (to achieve institutions' objectives)
- Integrate resources for accomplishment of plans
- Develop programs [services] for achievement of plans
- Evaluate efforts

To the end of accomplishing the above objectives TACTICS II progressive programming was instituted. This plan is set forth below:

5. TACTICS' II Progressive Programming

Component	Program	Year 1	Year 2	Year 3
MIS	Management and utilization of institutional information	Design and development of projects and models	Implementation of projects and models	Evaluation
CAP	Curricular Change	Analysis and Planning	Strategics for Implementation	Evaluation
MDP	. Management Systems Inventory . Management tools & techniques . Improvement of operations . Management update	Comprehensive Institutional Planning	Acquisition and utilization of funds Developing organizational structures	Management of resources Communications information flow
MCAFA	Admissions and Financial Aid as a part of institutional planning and development	New directions New strategies	Planning and retention	Evaluation Legal aspects of Admissions and Financial Aid

Component	Program	Year 1	Year 2	Year 3
MCSB	Federal Relations Activities Private sector funding strategies	Evaluation Planning and developing new approaches	Unilateral institutional assistance New institutional structures	Implementation of organizational structures and support systems
AA	Cost Effectiveness Management for accountability	Inventory of data Formal and informal roles	Analysis of data Faculty accountability development	Problem solving based on data Change implementation
LA/ET	Educational Technology	Conceptualization of behavioral objectives Learning packets	Media instructions	Development of Learning Resource Centers

Institutional Development plans require baseline data of various forms related to the different areas of institutional operations.

6. The TACTICS/MIS program, during its four years of operation, has accomplished the following where the management of basic data on the colleges and universities served is concerned:

- Developed and instituted a uniform data system with the colleges and universities served
- Helped some 34 institutions establish institutional research offices
- Developed eight program models for responding to common problems experienced by the institutions:
    - Financial Aid and Grants Management
    - Admissions, Registration and Student Records
    - Facilities Management and Housing
    - Personnel - faculty and staff
    - Programming, Planning, Budgeting Systems
    - Student Health Management
    - Budget Information Retrieval System
    - Computer Job Accounting and Billing System
    - Automated Affirmative Action System

- Data elements verified for the participating institutions, 450
- Research Publications 1974, (6) and 1975, (5)
- Copies of publications distributed, 1300 of each of the above

7. Still another source of basic data made available to the TACTICS components to be utilized in their program and service development activities for the colleges and universities being served (also noted elsewhere in this document) was from the MDP executed Management Systems Inventory.

The information from this source reflected circumstances and problems, as well as strengths, of the several institutions, cutting across the broad areas of:

- Environmental factors
- Planning
- Organization, governance and management
- Communications, internal and external
- Resources
- Evaluation

On the basis of the findings growing out of the inventory the following institutional development achievements have been realized:

- Sixty-five colleges and universities have been inventoried (1971-75)
- Fourty-five of the above institutions have redefined certain of their goals and objectives based on this inventory results
- Thirty four of these institutions have initiated long-range plans based on their inventory findings
- Organizational changes have been implemented by 45 of the inventoried institutions
- Twenty five of these institutions have established task teams to respond to their management inventory findings

Each of the above actions is absolutely essential to institutional development.

The TACTICS program effort, through its natural evolution, i.e., from focusing on individual or professional development in the colleges, to an emphasis on institutional development, has necessarily had to seek more and more definitive bases for programming to help its constituent institutions in the resolution of their problems.

8. The TACTICS-AA program, which in its first year of TACTICS II operation, inaugurated Cost-Effectiveness Studies as one of its emphases, stimulated by the austerity circumstances of the general economy and the effects of same on the already limited budgets of the institutions being served.

This inventory provided TACTICS and the participating institutions with such information indexes as:

- Cost Accounting
- Cost Efficiency
- Cost Outcomes (quality and quantity)
- Cost Effectiveness Evaluation

The above Cost-Effectiveness efforts have produced definitive information on such indexes as:

- Faculty Salaries
- Courses Offered
- Number and Types of Majors
- Other Direct Departmental Costs
- Enrollment
- E&G Educational Expenditure and Income

To date participating institutions have achieved the following:

- Cost data collection has been completed at 23 out of 37 institutions

- Fourteen institutions have already used certain of their cost data in decision-making

- Thirty of the participating institutions have had their data analyzed

- Thirty six institutions have done comparative cost analysis by comparing their own cost findings with those of similar sized institutions

- Some ten institutions have organized for assessment of the quality of their program offerings

9. Another critical aspect of institutional development for the historically Black colleges and universities is the enlarging of their capacity to take advantage of federally funded programs.

Historically, these institutions have gotton most of their support from HEW's OE programs.

TACTICS through its Proposal Stimulation and Federal Agency Relations component, MCSB, has sought to, among other things, increase the institutions' participation in the attracting of funds from sources other than HEW.

A cumulative record of indexes suggesting what has happened in the above regard is recorded below:

- Total number of institutions served by this component, 81 plus (1971-75)
- Full-time Federal Relations Officers employed under the stimulus of this components efforts, 9A
- Total proposal submitted (1971-75), 2,542
- Percentage of proposals submitted to HEW in 1971, 76%
- Percentage of proposals submitted to non-HEW agencies in 1971, 24%
- Percentage of proposals submitted to HEW in 1975, 68%
- Percentage of proposals submitted to non-NEW agencies in 1975 32%
- Number of Grants Councils established (1971-75), 47
- Individual institution research requests filled 1971-75, 3,701

Especially significant to institutional development has been the establishment of the Grants Council. This body has, among other responsibilities, the following:

- Screening of all proposals prepared and submitted in the name of the institution
- Determining the capabilities of the institution to respond to proposal requests from various agencies
- Anticipating possible overall effects, positive and negative, that a proposed project may have on the institution
- Encouraging those units of the institutions clearly having the necessary capabilities, to prepare and submit proposals to the appropriate agencies
- Avoiding proposals that are antithetical to the institutions purposes, goals and objectives

In the past a number of the colleges and universities have found themselves in difficulties evolving from federal and other Agency program involvements that had little or no relationship to the purposes, goals and/or objectives of the institutions themselves.

The presence and functioning of these councils in these institutions suggest significant institutional development, in that they are instruments whose objectives include avoiding the above noted dilemma.

Historically Black educational institutions have been traditionally short of basic support funds and fund sources. This shortage of funds has related to the societal response to these institutions as well as the fact that their constituency has continued to be, for the most part, poor.

The advent of Student Aid Programs represented a important development in the history of these institutions, in that these programs brought some added assurance that students would have significant help in meeting the already low tuition rates being charged by these colleges and universities.

As a partial consequence of student aid, institutional development, for these institutions, naturally dictates being able to serve more students, which automatically demands that the institution would be able to attract more student aid dollars.

Evidence of institutional development in this area is reflected in the statistics recorded below:

- A survey of 67 institutions receiving TACTICS-MCSB aid between 1973 and 1975 showed 93.3% reporting increases in student aid dollars
- A survey of 40 institutions worked with by the same component between 1972 and 1975 reported funding increases as follows:
    - public institutions 94.7%
    - private institutions 95.2%
- Enrollment increases occurring in some 40 institutions between the years 1972-1975 were:
    - public institutions 100% experienced increase
    - private institutions 100% experienced increase
- Percentage of institutions having enrollment decreases during 1974-75 in relationship to 1972-73 enrollment, and at the same time experienced increases in student aid funds:
    - public institutions 89%
    - private institutions 90.9%

It is significant that, even where decreases in enrollment occurred, the student aid funding levels for such a large proportion of these institutions increased. This development is attributed to changes in the Student Aid Programs, as well as the increased capacity of these institutions to claim such funds.

Being able to sustain a rate of growth or just maintain the status quo is significantly related to the development of any institution, be it educational or other.

Historically Black Colleges, over the years, have had to generate ways and means of keeping themselves before their potential constituents in the absence of adequate funds to do so through contemporary means. The TACTICS program, recognizing this area of inadequacy, has sought to address itself to this problem through its MCAFA component.

One example of MCAFAs' response to this need area is manifested in its publication, The Moton Guide To American Colleges with Black Heritages. This document describes 105 institutions in terms of such indexes as locations, course offerings, tuition costs, enrollment, sports, etc. To date it has been distributed in numbers as follows:

. High school counselors in 50 states, Nova Scotia, Pureto Rica, Virgin Islands, Panama Canal Zone and Guam	3000
. Public libraries around the nation	65
. Individuals interested in the historically Black colleges and universities	406
. Governmental and Educational Agencies	1200
. Business and Professional Organizations	375
. Educational Centers	500

Another extremely important experience provided through TACTICS, in the interest or sustaining the enrollment efforts of these institutions, was the presentation of an exposition at Expo '73 in which the TACTICS agency and its Assisting Agencies' roles in the support of higher education for blacks were depicted. It was estimated that some 450,000 viewed the exhibitions presented in Chicago at that time. Of critical importance in this experience was the fact that thousands of Black high school students, both from the Chicago area and other northern locations where there are no historically Black colleges, were introduced to these educational options for the first time in their lives.

An important end product of the above experience has been the fact that these colleges and universities have had more inquiries from Black students in the Chicago area than ever before. And, they have accepted applications from an increasing number of such students.

A further evidence of these institutions having improved their ability to attract students (with the federal help received), is depicted in the statistics below:

. The percentage increase in enrollment in historically Black colleges in the fall of 1975 was	11.8%
. The percentage enrollment increase in all colleges in the fall of 1975 was	8.9%
. The percentage in first-time freshman enrollment in historically Black colleges and universities in the fall of 1975 was	16.1%
. The percentage enrollment increase in all colleges and universities of the nation was	6.5%

A principal difference between the historically Black college and university thrust in the competition for enrollment at this time is the TACTICS - MCAFA extra-agency support of the recruiting efforts of these institutions, which has involved the training of recruiting personnel, improving admissions processes, increasing the responsiveness of the student aid programs, etc.

What is particularly significant about the above-noted dramatic increase in freshman enrollment in these institutions is the fact that it comes at a time of serious austerity and it involves students from homes that are among the poorest of the nation.

10. The institutional development process requires a willingness and commitment to change at all levels of institutional operation.

Academic administration is one of the areas in which TACTICS help has been required by the colleges and universities.

This component of TACTICS (TACTICS-AA) has been concerned with improving the institutions' leadership capabilities at the academic administration level; that level where policy influences such matters as, what will be taught, how it will be taught, by whom it will be taught, how long it will be taught, and how what is taught can best be fitted into the institution's support system for achieving its goals and objectives.

Department heads, division chairmen, and vice presidents for academic affairs are several of the titles worn by those worked with by this component (AA) in its support of institutional development.

Recorded below are statistics that are more definitive of the work done by AA during the last four years of the TACTICS operation:

. Institutions worked with	63
. Number of academic teams formed	39

. Number of significant changes implemented	147
. Number of supportive products produced (.i.e, position papers, guides, manuals treating administration relating to faculty, evaluation, etc.)	31

Especially critical to the institutional development process, where the TACTICS involvement is concerned, has been the development of Academic Administrative teams on the several campuses. These teams are significant in that they have the responsibility for continously monitoring the academic administration aspects of the institutions' operations, with the overall objective of keeping these functions current and relevant to the goals and objectives of the institution.

At this point in time these teams represent trained personnel who are prepared to continue doing a particular job for the institutions concerned.

11. Cooperative Academic Planning (CAP) is the TACTICS component that has been responsible for helping the colleges and universities update, revise, change and otherwise make more relevant their curriculum offerings.

The TACTICS-CAP approach has been much like that of the Academic Administrative component's approach, in that each utilized the team development approach to providing requested services and in institutionalizing the necessary developmental processes where curriculum improvement needs have been concerned.

During the tenure of the TACTICS program CAP has managed the following major accomplishments:

- Worked with some 32 institutions
- Influenced some 80 significant changes in curricular offerings in these institutions
- Stimulated curriculum planning on the parts of 90 institutions
- Supported the formation of some 90 Curriculum Planning Teams
- Provided 50 institutions with performance evaluation support (i.e., planning, guidelines, evaluative instruments, etc.)
- Produced some 12 major Curriculum Change publications based on the actual curriculum change experiences of the institutions served
- Major publications produced by CAP between 1971-1975, 13

Again, as was true in the case of TACTICS-AA, the training of individual personnel, followed by the formation of campus CAP Teams represent two exceptionally important developments where the institutional development process is concerned.

Of equal importance has been the production of permanent records of the changes inaugurated via the several major publications produced by this component. Inherent in such records are the opportunities not to repeat the same mistakes, avoidance of the duplication of efforts, and baselines for monitering progress toward goals and objectives, both short-and long-termed.

12. At the beginning of the second year of the TACTICS program a number of presidents registered a need for an Educational Technology emphasis on their campuses. They were particularly concerned with the question of how they might more effectively utilize the learning resources of their campuses in the educating of their students.

In response to the above concern the TACTICS-LA/ET program emphasis was inaugurated by the United Board for College Development in its role as Assisting Agency to the TACTICS program.

Since the inauguration of this program the following developments having institutional development implications have been realized.

. Total number of institutions served	53
. Fully developed Learning Resource Centers	15
. Fully developed Media Centers	20
. Learing Resource Centers in various stages of planning	12
. Number of Educational Technology Institutional Teams organized	53
. Number of campus personnel trained to use hardware:	
- in regional workshops	185
- in on-campus workshops	520
. Number of personnel trained in developing software	705
. Number of software products produced by institutional team members	385
. Number of software products produced by faculty members	608

To further entrench the institutional development process, the TACTICS Coordinating Office, in 1974-75, evolved two forms designed to help keep component program and service functions in line with the goals and objectives of the institutions being served, as well as, providing a more solid base for accounting for the effectiveness of programs and services delivered to the colleges and universities.

These forms were:

- A Work Statement
- A Program Statement

The work statement requires the following information from the participating institution:

- Statement of the problem
- Objectives to be achieved through the resolution of the problem

A third item on this document is:

- A delineation of the TACTICS services needed to respond to the problem area

along with the signature of the TACTICS component director and the institutions president/chancellor or designee.

The program statement articlulates the following information about the problem area or areas of concern to the institution:

- Setting forth of specific nature of problem
- Suggestions as to what the institution wishes to happen in the problem resolution process
- Steps to be taken by the institution as perceived by the appropriate institutional representative
- What actions the appropriate institutional representative proposes to take in relationship to the designated TACTICS service component's involvement
- Signatures of appropriate institution official and TACTICS component head

Another important aspect of the above process is the setting of time lines and identifying milestones that are related to such time lines in terms of goal and objective achievement.

These instruments and associated processes provide the necessary reference points for measuring development at:

- The programmatic level
- The departmental level
- The institutional level

over time ... which is essential to the demonstration of the development process.

Getting the institutional representatives to spell out their institutions' needs and concerns within the context of the Program Statement and Work Statement is taking some time, however. Having inaugurated the process about mid-year 1974-75, the count on such statements as of the end of FY 1974-75 (June 30, 1975) for the various components was distributed as follows, including both Work and Program Statements:

MIS (Management Information Systems)	7
CAP (Cooperative Academic Planning)	27
MDP (Management Development Program)	18
MCAFA (Moton Consortium on Admissions and Financial Aid)	18
MCSB (Moton College Service Bureau)	24
AA (Academic Administration)	40
LA/ET (Library Administration and Educational Technology)	19
Total	155

13. The programs and services of the TACTICS program are divided into two categories, namely general and special. The general services are two, namely, the Management Information Systems service and the Proposal Stimulation and Federal Agency Relations Services. These services have been available to all of the participating institutions each year. The special services (those offered by TACTICS-CAP, AA, LA/ET, MDP and MCAFA), because of the intensity of effort required and limited funds to support the necessary efforts, have been available to small numbers of colleges each year (i.e., 25 to 35) with the option of all colleges, over a three year cycle, getting each of the special services desired.

For a record of the distribution of TACTICS' services according to the categories of special and general, spanning the years 1971-1975, see the information below:

	1972	1973	1974	1975
Total number of colleges served	93	107	97	70
General Services	73	103	97	67
More than one General Service	73	81	83	67
Special Services	76	88	88	70
More than one Special Service	36	64	93	70

14. With the reduction in the number of colleges and universities to be served by TACTICS, which was occasioned by the entrance of BIDP institutions into the AID Program beginning in 1973-74, it was anticipated that TACTICS' activities with the institutions would be intensified.

Examination and comparsions of the various component records of involvement with the colleges and universities for the years 1974 (the last year of TACTICS I Programming), and 1975 (the first year of TACTICS' II Programming) produced the figures set forth below:

Selected Activities of TACTICS Components	TACTICS I Year III 1974	TACTICS II Year I 1975	Number Increased
Conferences, workshops, seminars	124	160	36
Participants Involved	2692	4096	1404
Number of contacts made on campuses visits	2155	2829	674
Consultants utilized	80	158	78
Change programs initiated and supported	56	121	65
College full-time staff positions established	14	37	23
Special Technical Assistance Visits	16	109	93

15. The TACTICS program assures that all efforts and programmed activities designed to strengthen and otherwise improve the colleges and universities concerned also, directly and indirectly, suggest institutional development. For example, a stronger curriculum can produce more competent graduates who enjoy greater successes, which brings more prestige, and hence, respect, and recognition to the college, which attracts more interested students, etc.

A summary of indexes suggesting institutional development that has taken place in the institutions served by TACTICS during the years between 1971 and 1975 is recorded below:

	TACTICS I			TACTICS II		
	Years 1	2	3	Years 1	2	3
Number of colleges new to program	93	22		6	7	
Number of colleges continuing with program		85	97	64	65	
TOTAL	93	107	97	70	72	

- Management systems inventories and program installations
- Establishment of new and revised missions and goals
- Inauguration of long-range plans
- Establishing institutional Research Offices and engaging in Institutional Research
- Employment of more MIS Models
- Carrying out Cost-Effectiveness Studies and program planning based on findings
- Generating more proposals for DHEW as well as non DHEW programs
- Increases in Freshman Enrollment
- Increases in Financial Aid
- A more authenticated data base
- Significant turn-around-time reduction in admissions process
- Numerous and significant changes in curricular offerings
- Establishment of Task Teams for facilitating development processes
- Institution of evaluation processes where none had previously existed
- Development of numerous "How-to" manuals, guidelines, procedures, forms, etc.

16. Having moved these colleges and universities thus far in their development processes, it is concluded that, while much institutional development remains to be done, these institutions certainly do not have to spend as much of their already limited resources on developmental processes, but rather, they can begin to direct more of their institutional energies to their central objective of "educating."

Projecting out of the above context, and considering NAFEOHE's Year 2000 Plan, which has as one of its objectives, helping Black Americans to achieve parity in the American Society through the vehicle of education, TACTICS is being viewed as the technical vehicle for mobilizing the resources of the historically Black colleges for changing such deficit statistics as are recorded below:

	Black	White
Physicians	1: 3,700	1: 560
Dentists	1:12,500	1: 2,500
Lawyers	1: 1,700	1: 627
Scientists	4:10,000	27:10,000
Engineers	3:10,000	46:10,000
Pharmacists	1% of all students in Pharmacy	
Registered Nurses	7% of all registered nurses	

Projections of Allied Health needs by 1980, 422,000, of
which ..... 117,000 Dieticians
and .... 130,000 Pharmacists will be needed

(One encouraging index in this category shows that presently 1:12 Blacks between ages 16 and 34 is completing four or more years of college, as compared with 1:15 whites in the same age range.)

It is proposed that HEW would enter into a partnership with the historically Black colleges and universities for the purpose of, among other things, changing the tenor of the above listed career statistics into a more positive posture numerically.

To this end the TACTICS effort would need to be prepared to:

- Continue its technical support of colleges and universities continuing in the BID program, emphasizing both:
  - Professional Development
  - Institutional Development
- Help colleges and universities prepare for entrance to the AID program

- Continue program and service support of colleges moving from BIDP to AIDP during transition period

- Providing support to AIDP colleges through:
    - cooperation with AIDP directors
    - program facilitation and follow-through help
    - program and resource coordination help

In addition to the above noted institutional development thrust, these institutions expect to address more of their energies to the task of helping to meet national manpower and related needs where the development of individual skills and expertise are concerned. To the latter end, these institutions will need to address themselves to:

- Emphasizing Career Education for getting more students to consider careers in areas of short supply

- Continually improving the quality of education offered

- Producing more health manpower career oriented graduates

- Bringing more creativity to the search for solutions to the nation's energy problems

- Coping more effectively with the problems inherent in food production technology and agri-business

- Doing a more effective job of encouraging the development of more appropriate cultural and social values

- Improving transportation technology

- Producing more personnel who can relate to the nation's environmental protection needs, etc.

An increasingly larger role in helping to meet the nation's need for specifically trained manpower is viewed as a very normal aspect of the development of these institutions.

To the end that the development process might continue then, these institutions will need support for making more effective application of the program efficiencies they have developed to date, as well as resources for continuing the professional and institutional development emphases with those institutions needing such.

More specifically these institutions, in order to continue, must have:

- Adequate funding
- Adequate lead time
- Continuity of program and service support as well as special and general program support

- An external catalyst to keep the institutions stimulated
- A coordinating agency to pull viewpoints together

Given an adequate response to the above, these institutions can continue to make a significant contribution to higher education in America. They can continue to be the principal vehicles for helping Black Americans, and any other Americans choosing to attend them, achieve a reasonable portion of the fruits of the American democracy. They can continue to be the most effective permanent poverty eliminators of the nation.

Respectfully submitted by,

Van S. Allen
Executive Director
TACTICS (2-5-76)

Addendum to TACTICS
Impact Information
Covering Period from 1971-1979

The information that follows is selected, by components, so as to illustrate impacts of various types and magnitudes, that the TACTICS Program has had on colleges and universities served during the period from 1971-1979.

MIS

The Management Information Systems (MIS) component has been concerned with helping the several institutions to develop and operationalize effective data management systems, cutting across all of the applicable institutional operations.

Several evidences of the success of this component are reflected by the experiences recorded below:

- MIS has helped to establish the base for a uniform data system for 105 colleges and universities
- MIS has collected and analyzed yearly data on Historically Black Colleges and Universities covering enrollment, degrees, revenues, expenditures, demographics and Title III, and shared same with institutions
- MIS, through its consultations has saved institutions as much as $60,000 a year on data processing equipment purchases
- This component has helped institutions to design new information systems that resulted in savings of up to $60,000 per year
- MIS has aided colleges and universities in developing their PPBS's (Program Planning and Budgeting Systems)
- Help has been provided institutions in updating their registration processes
- Institutional data systems created with MIS help provide information for qualifying institutions for participating in AID Program
- MIS has provided training experiences for data support personnel on most of the TACTICS served colleges

CAP

Cooperative Academic Planning (CAP) is a TACTICS component concerned with helping institutions revise, change and otherwise update their curricular offerings.

Below are recorded some examples of curricular areas where changes and or adjustments have been made with the help of CAP during these seven years of TACTICS operations:

- Some ninety(90) institutions have had the CAP services
- Curricular additions and changes have included:

Discipline	No. Institutions
- Early Childhood Education	8
- Competency Based Education	9
- Independent Study for Superior Students	4
- Independent Study for All Students	3
- Work Study Programs	3
- Local Community Projects	2
- Undergraduate Study Abroad	1
- Off campus Study in U.S.	5
- Freshman Services	3
- Urban Programs	3
- Honors Programs	3
- Inter-disciplinary Studies	10
- New Western Studies	5
- Non-Traditional Studies	9
- Remedial Programs	4
- Programs for Drop-outs	1
- Continuing Education	6
Total 17 Different Areas	80

- Presently 32 institutions are further diversifying their curricular offerings

MDP

The TACTICS Management Development Program (MDP) has been concerned with strengthening the Management Systems of the institutions participating in the TACTICS Program.

Over the last seven years this component's work has resulted in the following developments among the colleges, among others:

- Served 92 institutions
- Administered Management Systems Inventory instrument to 78 institutions

- Administered follow-up MSI to some 14 institutions
- 25 institutions used their MSI data in their prepaparation for entrance into the AID Program
- 34 institutions used their MSI data in the develonment of their institutions' long range plans
- 12 institutions used their MSI data in their self-studies for accreditation re-affirmation
- 21 institutions used their MSI date in determining their capability to participate in the U.S. Department of Commerces' Entrepeneural Program (Business)
- 40 institutions used their MSI information in preparing proposals for the corporate, foundation and federal programs other than OE

LA/ET

The Library Administration/Educational Technology (LA/ET) component of the TACTICS Program has been responsible for helping this group of institutions to strengthen the management of their library resources, and with the help of Educational Technology, increase the capacity of the libraries and related personnel to respond to the information needs of matriculated students.

To this end, a number of program efforts have been undertaken by LA/ET, over the last seven years. The outcomes of several of these efforts are recorded below:

- LA/ET served 70 institutions during this period
- It help 14 institutions design and develop Learning Resource Center concepts for implementation
- It aided 20 institutions implement unified Learning Resource Centers (LRC's)
- LA/ET helped 70 institutions to institute Library/Media/LRC orientation programs for users
- Some 42 institutions have reported increased use of libraries and related resources (i.e., LRC's)
- 30 of these institutions are implementing Management By Objective (MBO's) Systems
- This program has trained 1700 persons on campuses in the selecting, utilizing and evaluating of media resources
- Some 1875 persons on these campuses have been trained in skills and techniques for developing their own learning packages

PSS

The Program Support Service (PSS) component of the TACTICS Program has been responsible for providing technical support in the areas of overall program and service planning, development and delivery for the TACTICS Coordinating-Management Office as well as the individual components. It has also had a major role in keeping the lines of communication open between the participating collegs, the components and their Assisting Agencies, OE and other bodies and agencies having an interest in the TACTICS Program.

To the above ends this component, over the last seven years, has been responsible for, among other accomplishments, the following:

- Program planning and development as relate to:
  - Personnel and organizational development (of the TACTICS mechanism)
  - Institutional Development
  - Institutional goal achievement
- Developed, administered and analyzed need analysis as related to the institutions served by TACTICS
- Provided technical support to components in the development of program materials
- Prepared and published monthly newsletter during this period
- Prepared 78 technical papers for the program and service planning and delivery for the CMO and components
- Researched and surveyed minority college issues and problems
- Provide technical assistance to CMO and components in developing graphics for written and visual communications

AAP

The Academic Administration Program (AAP) component of the TACTICS Program is responsible for working with the academic leadership personnel of our campuses, i.e., department heads, division chairpersons, academic deans, etc. Its specific function has been to provide leadership and training experiences for these personnel that will enable them to do the most effective jobs in carrying out their academic leadership responsibilities on the several campuses.

Over the past seven years AAP has impacted the colleges and universities concerned via the following accomplishments:

1. Served a total of 110 institutions

- During this period interacted with 5432 personnel of these institutions
- Established and activated AAP work teams on 47 campuses
- Administered 60 Cost-Analysis/Cost-Effective studies
- Completed analysis of cost studies for 35 institutions
- Cost-Analysis used by 35 institutions in:
    - budget development
    - program planning and development
    - adjusting
- Cooperated with the Southern Association of Schools and Colleges in accreditation process for 15 schools
- Produced eight (8) publications
- Helped 25 institutions revise their faculty evaluation and development procedures
- Cooperated with the Southern Association of Schools and Colleges in accreditation studies for 20 institutions
- Cooperated with Southern Association of Schools and Colleges in academic analyses for self-study purposes for 20 institutions

MFFRP

This component, the Moton Foundation and Federal Relations (MFFRP) another component of the TACTICS Program, was charged with helping the institutions to develop their skills in proposal development and Federal Agency relations as a means of achieving the objective of getting more federal funds into these colleges and universities.

This component, in carrying out its reponsibility, has engaged in the training of Development Officers and Federal Relations Officers, and in more recent times the training of institutional personnel in Federal Grants Management.

Some of its significant impacting achievements to date are reflected in the statistics below:

- Federal Relations Officers in these institutions increased from four (4) full-time ones in 1971 to 53 in 1979
- The average number of proposals submitted by each institution in 1971 was 1[illegible].2

- The average number of proposals submitted in 1977 was 20.5 per institution
- Percentage of proposals submitted by OE by these institutions in 1971 was 87%
- Percentage of proposals submitted to OE in 1977 was 73.5%
- 51 Administrative Grant Councils formed

MCAFA

The Moton Consortium on Admissions and Financial Aid (MCAFA), another component of the TACTICS Program, is concerned with helping personnel on the campuses, who are responsible for the Recruiting, Admissions and Financial Aid operations, to improve their skills, technics and procedures, to the end that they are able to present their institutions more effectively to prospective students in the face of rising competition from more and more historically white colleges and universities, and the debilitating effects of inflation on the capacities of the principal student constituency to pay their own way in academia.

Over the seven years of this component's operation the following notable achievements, among others, have been noted:

- Between 1974 and 1976 some 55 colleges (77.5%) reported increases in total enrollment (28 public,. 25 private
- During this same period of time 53 colleges or (74.6%) of these institutions reported increases in freshman enrollment (27 public, 26 private)
- Under the stimulation and leadership of this component 75% of the Aid Officers have developed or revised their manuals of operations
- Ninety (90%) of the Aid Officers reported having established yearly calanders for effectuating better manangement of Financial Aid activities
- One hundred percent (100%) of these institutions reported increases in on-campus activities and responsibilities related to Financial Aid
- Sixty three (63%) reported a decrease in the turn around time attendant to the financial aid proceesing and awards notifications
- Thirty five percent (35%) of Aid Officers reported that new procedures had made for more effective use of their budgets

- Eighty two percent (82%) of the institutions reported increases in the amount of federal monies received for financial aid
- Helped to develop and test OE Training Program for Financial Aid Officers in 34 colleges and universities in North Carolina
- Participated cooperatively with OE's Basic Grant Program personnel in training program involving 32 Developing Institutions

As has been stated elsewhere in this document, the impact items noted herein have been selected. There are many more.

Evidences of Strengthened Institutions

- Increased enrollment in Historically Black Colleges and Universities from 178,000 in 1971 to 215,000 in 1977
- Increased degrees granted (AB's and BS's) from 24,000 per year in 1971 to 28,000 in 1978
- 90 four year Historically Black Colleges and Universities account for 45% of Black graduates
- 1866 Historically White Colleges account for 55% of Blacks receiving (BA and BS degrees)
- Increased ability to attract Corporate and Foundation Funds (Increased by 58.7% between 1970-1977
- Changes in Degree disciplines:
    - i.e., decrease in degrees in Education from 46% in 1966 to 34% in 1973
    - i.e., increase in Business and Management from 4% in 1966 to 16% in 1973
- Gains in accreditation from 65 in 1970 to 72 in 1976
- Only one(1) of the 110 accredited colleges and universities closed in the U.S. between 1970 and 1976 was historically Black.

Fulfilling the Role of a National Resource

- Of the 597,000 Black College Alumni reported in the U.S. Census Data for the years 1973-74:
    - 283,000 are located in the states in the Southeast Region where the majority of the HBC's and U's are located
    - 119,000 are located in the Northeast U.S.
    - 114,000 are located in the Midwest
    - 81,000 are located in the West
- Better than one-half of all Black colleges and university graduates are located and serving outside of the Southeast Region
- As a more specific example of productivity and quality as a National resource, the following selected statistics from one institution of the HBC and U community are cited:
    - Enrollment 735
    - produced prior to 1949:
        a. 10 doctors, 10 dentists, 9 lawyers
    - produced between 1950 - 1959:
        a. 21 doctors, 7 dentists, 2 lawyers
    - produced between 1960-1969:
        a. 15 doctors, 3 dentists, 25 lawyers
    - produced between 1970-
        a. 12 doctors, 1 dentist, 9 lawyers
- The distribution of the above noted professionals in the U.S. is as follows:
    - 21 doctors and dentist are in Mississippi
    - 58 doctors and dentist are in 23 other states
    - 22 lawyers are in Mississippi
    - 23 lawyers are in the 13 other states
- Continuing productivity: This same institution has in the professional colleges and universities today:-
    - 50 medical and dental students (23 med and dent schools including Meharry, Howard, Harvard, Northwestern, etc.)

- 15 in other Health professions
- 25 in law school
- 14 of the 1978-79 class accepted by some 23 med and dent schools as of this date

Component Activity Reports

The TACTICS Program has attempted to keep a well documented record of its program activities as well as its accomplishments.

Appendix A is a documentation of the activities engaged in by the several components in 1977-78. To get a feel for how much such activity has been engaged in over the last three years (which have been similar in this regard) multiply the figures presented by three.

Publications

Another documentation procedure followed by the TACTICS Program has seen the publishing and sharing of significant experiences in training and accomplishments as well as philosophical and theoretical renditītions of problems and concerns of the institutions being worked with. (See Appendix B)

Institution Being Served in 1978-79

The institutions being served by the TACTICS Program in FY 1978-79 are to be found in Appendix C.

TACTICS Programmatic Schema

This chart depicts the several organizational units of the TACTICS Program and how they inter relate (See Appendix D)

TACTICS Team Approach To Team Operation

This shema is illustrative of how the TACTICS program and service development and delivery processes are evolved and related to the colleges and universities participating in the TACTICS Program (See Appendix E)

APPENDIX A

SUMMARY OF TACTICS COMPONENTS' ACTIVITIES FOR 1977-78

SUMMARY OF TACTICS COMPONENTS' ACTIVITIES FOR 1977-78

	CAP	MIS	MCAFA	MFFRP	LA&ET	AA	MDP	TOTALS
Number of workshops, conferences, cluster session, or visits held	36	49	45	22	41	53	43	289
Number of persons attending or contacted	484	496	976	468	427	314	279	3,444
Number of institutions represented	73	183	213	137	87	70	87	850
Number of campus personnel visiting component office	4	1	37	14	21	1	24	102
Number of telephone consultations	276	367	117	407	400	365	537	2,469
WRITTEN COMMUNICATIONS								
Letters and memos	667	1,339	2,227	4,222	1,849	368	803	11,445
Printed peices and publications	251	466	1,564	109	332	285	302	3,309
Others	1	0	993	115	72	78	61	1,320

APPENDIX B

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MCAFA Newsletter

September, 1978
October, 1978
November, 1978
December, 1978
January, 1979

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#117 "Need Analysis Systems for NDSL, CW-S and SEOG"

#118 "OE Sets Closing Date for Title III Applications"

#119 "Veteran Education Entitlement Regulation Proposed"

#120 "Immigration and Naturalization Service Publishes Final Rule on Nonimmigrant Students"

#121 "OE Extends Closing Dates for Corrections of SEOG, CW-S and NDSL"

#122 "OE Sets Application Deadline Dates for State Student Incentive Grants and State Student Financial Assistance Training Programs"

#123 "OE Guidelines for Determining Priority Program Reviews in Financial Aid"

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20. Management Information Systems, HEGIS-Based College Management Reports w/ Multi-Year Trends, Staff

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24. Cooperative Academic Planning, Special Programs To Increase Minority Enrollment, S. Spellman and Y. Nix

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26. Cooperative Academic Planning, A Proposed Model For Training Teachers Of Adults, E. Welden

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1972-Present: TACTICS Monthly Newsletter

(10 issues a year; present circulation 1200)

APPENDIX C

LISTING OF COLLEGES AND UNIVERSITIES
BEING SERVED BY TACTICS

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES BEING SERVED BY TACTICS

Alabama State University (Ala.)
Albany State College (Ga.)
Alcorn State University (Miss.)
Allen University (S.C.)
Barber-Scotia College (N.C.)
Bishop State Junior College (Ala.)
Cheyney State College (Pa.)
Claflin College (S.C.)
Coahoma Junior College (Miss.)
College of the Virgin Islands
Coppin State College (Md.)
Durham College (N.C.)
Edward Waters College (Fla.)
Elizabeth City State University (N.C.)
Florida Memorial College (Fla.)
Harris Stowe College (Mo.)
Huston-Tillotson College (Tex.)
Jarvis Christian College (Tex.)
Knoxville College (Tenn.)
Lane College (Tenn.)
Langston University (Mo.)
Lawson State Community College (Ga.)
LeMoyne-Owen College (Tenn.)
Lewis College of Business (Mich.)
Livingstone College (N.C.)
Malcolm-King: Harlem College (N.Y.)
Medgar Evers College (N.Y.)
Mississippi Valley State University (Miss.)
Morris College (S.C.)
Morristown College (Tenn.)
Nairobi College (Calif.)
North Greenville College (S.C.)
Oakwood College (Ala.)
Paine College (ga.)
Paul Quinn College (Tex.)
Philander Smith College (Ark.)
Saint Paul's College (Va.)
Saint Philip's College (Tex.)
Shaw College at Detroit (Mich.)
Southern University (New Orleans) (La.)
Southern University (Shreveport) (La.)
Southwest Community College (Tex.)
Southwestern Christian College (Tex.)
Stillman College (Ala.)
Talladega College (Ala.)
University of Maryland (E.S.) (Md.)
Utica Junior College (Miss.)
Wiley College (Tex.)
Winston-Salem State University (N.C.)

HISTORICALLY WHITE COLLEGES AND UNIVERSITIES BEING SERVED BY TACTICS

Columbus College (Ga.)
Concordia College (Ore.)
Chadron State College (Neb.)
Newberry College (S.C.)
Reinhardt College (Ga.)

HISTORICALLY HISPANIC COLLEGES AND UNIVERSITIES BEING SERVED BY TACTICS

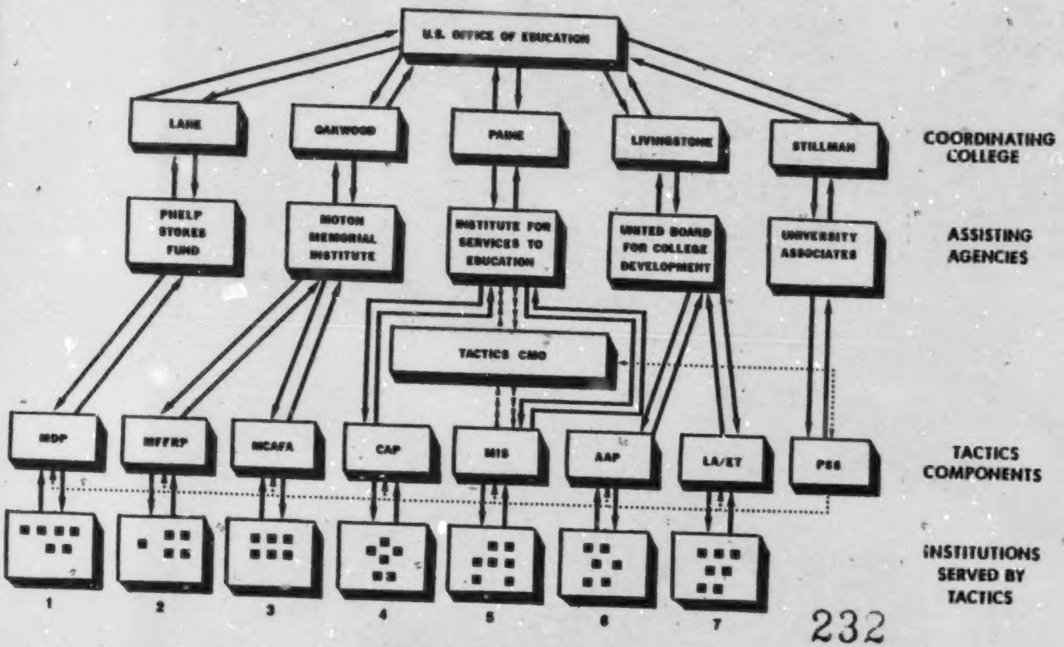
Bayamon Central University (P.R.)*
Catholic University of P.R. (P.R.)*
Colegio Universitario del Turabo (P.R.)*
Inter-American University (P.R.)*
Puerto Rico Junior College (P.R.)*
University of the Sacred Heart (P.R.)*
World University *(P.R.)

*(Puerto Rico)

APPENDIX D

TACTICS PROGRAMMATIC FLOW CHART

TACTICS PROGRAMMATIC FLOW CHART


U.S. OFFICE OF EDUCATION
LANE
OAKWOOD
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STILLMAN
COORDINATING COLLEGE
PHELP STOKES FUND
MOTON MEMORIAL INSTITUTE
INSTITUTE FOR SERVICES TO EDUCATION
UNITED BOARD FOR COLLEGE DEVELOPMENT
UNIVERSITY ASSOCIATES
ASSISTING AGENCIES
TACTICS CMO
MDP
MFFRP
NCAFA
CAP
MIS
AAP
LA/ET
PSS
TACTICS COMPONENTS
INSTITUTIONS SERVED BY TACTICS
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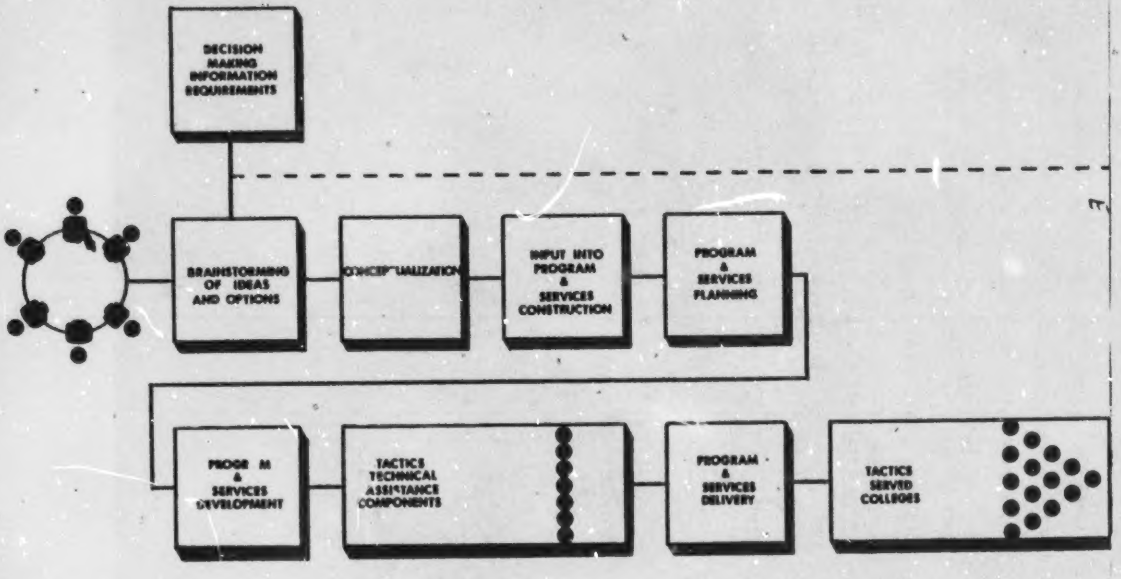
APPENDIX E

TACTICS III--Team Approach, Team Operation

TACTICS III

TEAM APPROACH
TEAM OPERATION

(PROGRAM & SERVICES DEVELOPMENT)


DECISION MAKING INFORMATION REQUIREMENTS
BRAINSTORMING OF IDEAS AND OPTIONS
CONCEPTUALIZATION
INPUT INTO PROGRAM & SERVICES CONSTRUCTION
PROGRAM & SERVICES PLANNING
PROGRAM & SERVICES DEVELOPMENT
TACTICS TECHNICAL ASSISTANCE COMPONENTS
PROGRAM & SERVICES DELIVERY
TACTICS SERVED COLLEGES

Some of the Principal Sources of Information Contained in This Document

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TACTICS
Technical Assistance Consortium To Improve College Services
A Title III Program

INTRODUCTION

TACTICS is a consortium of agency-sponsored components that provide programs and services which have been requested by the developing institutions participating in the Office of Education's Basic Institutional Development Program (BIDP). TACTICS services assist the institutions to increase their resources, improve management, and continue to effectively educate their share of America's youth, including large numbers of disadvantaged students.

TACTICS is a problem-solving organization, oriented toward goal achievement. It brings to each institutional problem and each institutional goal an overall systems approach with resources and expertise in each of the major areas of academic administration and institutional management.

Through working directly with all levels of administration and faculty at participating colleges and universities, the TACTICS components have provided substantial assistance in professional development, institutional development, and accountability methodology.

This document discusses 1) the capabilities of each component, 2) the programs, services and accomplishments of the components as they served as many as 107 colleges and universities a year since 1971, and 3) the history and organization of the TACTICS consortium.

HISTORY

TACTICS was formally initiated on March 26, 1971, as a major instrument for assisting predominantly black colleges and universities to make the academic and administrative changes that would enable them to continue their mission as a vital, unique national educational resource. Despite the increased opportunities open to black citizens in an evolving society, it is clear that for a long time to come the historically black institutions must continue to exert leadership in education to help black men and women compete in today's society.

Backing by the U.S. Office of Education for the creation of TACTICS was a part of the federal government's recognition of the need established by NAFEOHE (the National Association for Equal Opportunity in Higher Education, the organization of black college presidents) for greater federal support to black institutions.

The historically black colleges needed technical assistance in many areas of their operations but did not have funds to obtain the assistance; the expertise to plan, develop, and deliver needed programs and services; nor sufficient free administrative time to monitor such a large-scale program. Five Assisting Agencies with proven records of contributions to these colleges were asked to provide the necessary programs and services.

The Phelps-Stokes Fund, the Institute for Services to Education, the United Board for College Development, the Robert R. Moton Memorial Institute, and University Associates, Inc., were invited by the presidents of the historically black colleges to collaborate in the delivery of assistance in the areas the presidents had outlined:

Assistance to-

1) Secure more federal funds
2) Bring about needed academic reforms
3) Institute improved development and management systems
4) Improve recruiting and admissions procedures
5) Revise and change curricular offerings
6) Establish effective data management systems
7) Provide technical support to get these tasks accomplished

In June, 1974, TACTICS completed its original three-year funding span. During this period, the consortium concentrated its resources on programs addressing "professional development," helping college personnel to acquire the skills, techniques and insights which would enable them to bring about the needed changes on their campuses.

TACTICS II, the second three-year span of the program, addressed "institutional development." This phase of the TACTICS program recognized that no problem within an institution is without relationship to its other problems and that resolution of problems within an institution must be approached with teamwork at several levels.

The third three-year span, now in progress, aims to increase institutional productivity through the use of better institutional and accountability procedures. The major emphasis here is on the attainment of program and institutional goals and the documentation of achievement.

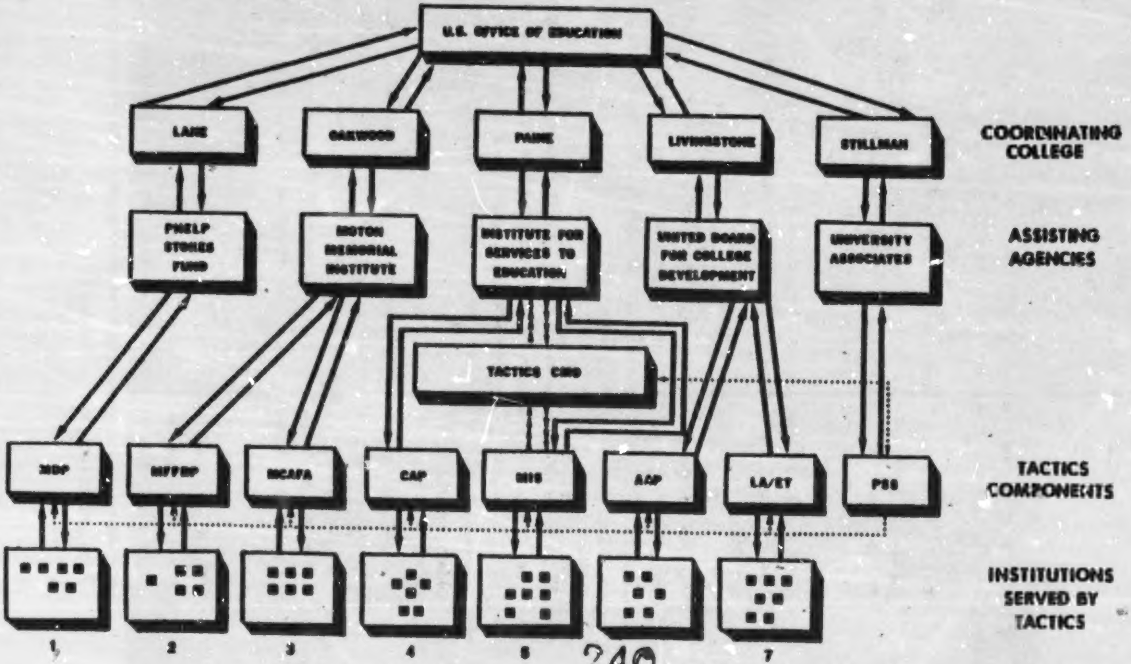
Though the TACTICS program was established to serve the historically black institutions, the problems of developing institutions are not confined to any one group. In recent years, both Puerto Rican and historically white colleges and universities have joined and are very active with the consortium.

FUNCTIONS AND INTERRELATIONSHIPS OF VARIOUS TACTICS ELEMENTS

The TACTICS program is actually a consortium of consortia. On each level of organization, several entities cooperate toward a common goal:

> The TACTICS Policy Board is the governing body. It consists of representative members of present and former TACTICS institutions, the Assisting Agency heads, and the director of the TACTICS Coordinating-Management Office. The Policy Board sets direction and determines policy for the TACTICS operation.
>
> The five Assisting Agencies participate on the Policy Board and work in conjunction with the Coordinating Colleges to oversee the operations of the eight components.
>
> The five Coordinating Colleges 1) receive and account for the expenditure of funds, 2) report the fiscal and programmatic activities of the TACTICS components to the Office of Education, and 3) work together to assist the components in planning and coordinating component activities.
>
> The Coordinating-Management Office gives leadership to the development and delivery of appropriate programs and services to the colleges, coordinates all TACTICS efforts in the interest of the colleges, develops periodic reports on TACTICS program efforts, maintains communication and information flow, and holds Policy Board meetings.
>
> The seven service components assess the needs of the participating colleges and universities, then plan and deliver the appropriate programs and services via site visits, conferences, workshops, telephone consultations, etc. The one remaining component assists the Coordinating-Management Office in overall program planning and development and provides individual assistance to the seven service components.
>
> The sixty-three colleges and universities now participating in the TACTICS program form another consortium level as they assist one another while participating in the component programs. Institutional personnel who have achieved high levels of competency in a given area often are engaged by the components to serve as consultants to help other institutions.

TACTICS PROGRAMMATIC FLOW CHART


U.S. OFFICE OF EDUCATION
LANE
OAKWOOD
PAINE
LIVINGSTONE
STILLMAN
COORDINATING COLLEGE
PHELP STOKES FUND
MOTON MEMORIAL INSTITUTE
INSTITUTE FOR SERVICES TO EDUCATION
UNITED BOARD FOR COLLEGE DEVELOPMENT
UNIVERSITY ASSOCIATES
ASSISTING AGENCIES
TACTICS CMO
MDP
MFFRP
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CAP
MIS
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PSS
TACTICS COMPONENTS
INSTITUTIONS SERVED BY TACTICS
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COMPONENT CAPABILITIES AND ACHIEVEMENTS

MIS

Management Information Systems is the TACTICS program working to improve the effectiveness of information flow on the campuses. The MIS Directorate, a corporate program offered by the Institute for Services to Education for TACTICS, applies scientific techniques to facilitate decision-making within the college and university environment. The management supports generated by the Directorate represent a broad range of technical resources available to developing institutions. These supports are based on an eleven-year experience with the black colleges and similar developing institutions.

The MIS Directorate assesses existing information systems, offers counsel, and assists institutions in developing long-range plans for total information systems capability, including staffing configurations and modification and acquisitions of hardware/software packages. General models of information systems are developed, which are used in developing institutional data bases, transactional systems and comprehensive information systems tailored to the needs of institutions.

The MIS Directorate critiques documents formulated by the colleges that are related to information systems development (e.g., proposals, documents, long-range plans). The Directorate maintains a longitudinal data base of 450 selected institutional parameters by means of an annual Fall data collection across all participating developing institutions. Through the use and maintenance of this data base on historically black colleges and other developing institutions, the MIS Directorate publishes trend analysis reports and responds to queries from colleges.

General and specialized conferences, workshops and other forms of training and briefing programs are offered by the Directorate. In summary, the services offered by MIS are these:

MIS Orientation
MIS Development
Data Base Definition and Development
Transactional Information Systems Development
System Evaluation

Model Development
Documentation Review
MIS Tools
Research Profiles
Statistical Reports
Issue Papers

Recognizing the increasing need for MIS services at TACTICS colleges facing diminished financial resources, the MIS program is designed to achieve high impact levels with each participating institution.

> Several colleges utilized the MIS Directorate to evaluate computer acquisition proposals. It was determined that the proposals did not respond to the needs of the colleges. The acquisition actions were therefore deferred, resulting in the institutions' avoidance of buying equipment that would not properly serve their needs and saving an estimated $80,000.
>
> Through consultation with one college, the MIS Directorate provided advice in the design of a new information system for the college. As a result of this design, the scheduling of a computer installation was delayed by at least six months, saving the college about $60,000.
>
> Mississippi Valley State University was provided technical assistance in the design of a PPBS (Program Planning and Budgeting System).
>
> Jarvis Christian College utilized the Directorate to streamline its manual registration process. The new registration system saves time and energy for both faculty and students.
>
> North Carolina A&T University, the Puerto Rican MIS Consortium, Paine College, and Wiley College are using MIS to facilitate data base development at their institutions.
>
> One college was provided with operational procedures and job descriptions for the establishment of the long range planning office and the management information systems office.

Southern University in New Orleans asked the MIS Directorate to provide a training program for support personnel. This service resulted in increased office efficiency and improved *esprit de corps.*

Among many other accomplishments, the MIS Directorate has assisted in the establishment of 36 institutional research offices and produced 12 research publications, 2600 copies of which have been disseminated.

CAP

The Cooperative Academic Planning program, sponsored by the Institute for Services to Education, assists TACTICS institutions in developing and implementing new curricula and in updating existing courses of study. CAP meets an institution's individual needs for short, medium, and long range academic program planning in coordination with the institution's plan.

The CAP program:

Serves as a catalyst for curricular change, improvement, development, and assessment upon academic departments and divisions.

By a comprehensive team approach with other TACTICS components, integrates changes in existing majors and freshmen studies, and develops new majors, learning resource centers, etc.

Helps optimize curriculum decision-making by assisting institutions in the development of sound planning, programming and management techniques.

Helps strengthen institutional awareness and capability in ongoing systematic academic planning, recognizing that a holistic view of planning promotes a synthesized analysis of goals and objectives.

Keeps institutions abreast of new alternatives that contribute to the improvement of educational practice.

Helps institutions develop objectively verifiable indicators and evaluative methods.

Helps design cooperative short-range, medium-range, and long-range plans with the colleges and universities that will lead to the establishment of accountability based planning schemata, focusing on academic divisions.

Provides opportunities for the participating colleges and universities to evolve feasible techniques which will enable them to allocate limited resources more efficiently into the total academic program.

Encourages and assists in the development of innovative learning environments for students.

Provides technical assistance and papers in a variety of academically related areas (e.g., new majors, evaluation strategies, faculty performance evaluation, etc.).

Provides consultive and other supportive services to those colleges and universities that are at varying stages of institutional development. Special services will be available to those institutions that are far into the process of developing master plans.

Although the concept of planning has myriad interpretations, the CAP program views planning as a process by which a college or university defines its mission, overall goals and specific objectives, and subsequently designs quantifiable means to attain them. Based upon the increased demands on institutions for programmatic and fiscal accountability, the CAP program has designed a comprehensive service delivery system which assists institutions in identifying ways to effectuate comprehensive and systematic planning constructs. The CAP program's delivery system encompasses the following thrusts:

1. Research and technical paper development
2. Individual institutional assistance
3. Workshop and consortial activities
4. Systematic approach to planning, and
5. Program evaluation/management

CAP has influenced 109 curriculum changes within TACTICS colleges and universities, and 115 schools have engaged in curriculum planning with CAP. 115 curriculum planning teams have been formed, and 14 curriculum change publications have been developed. 2,568 campus personnel were involved in curricular planning, implementation and evaluation with CAP. 4,173 copies of major publications have been distributed to the developing institutions' curriculum planners. CAP has assisted some colleges with massive reorganization and curriculum modification. It has helped establish Weekend Colleges and numerous other innovative programs and participated in a study commission to determine how one university could become a "special purpose" institution for urban programming.

The CAP personnel are ever cognizant of the importance of accountability and therefore have designed strategies and methods to determine the effectiveness and efficiency of its programmatic operations in meeting the needs of the educational institutions it serves. The key elements of the CAP program's evaluation process are these:

1. Clarification of service delivery design
2. Assessment of progress (formative)
3. Assessment of process objectives (activities)
4. Review
5. External evaluation

LA/ET

The Library Administration and Educational Technology program provides assistance to TACTICS colleges and universities in improving library administration and in establishing programs of educational technology. This TACTICS component, sponsored by the United Board for College Development, assists schools in bridging the gap between educational needs and financial resources through the planned application of new instructional technology. The LA/ET program promotes the development of learning resources centers and the use of media in teaching and learning. The program also emphasizes the improvement of management skills necessary to operate an efficient, effective library, media or learning resources center.

LA/ET has assisted in the development of 45 learning resources centers and media centers; 15 learning resources centers are in the planning stages. 63 educational technology teams have been organized on TACTICS campuses. Over 1800 persons have been trained at LA/ET and on-campus workshops, and in-service training sessions on the selection, utilization, application, dissemination, production and evaluation of hardware/

software media. Presently, 16 programs are being designed, developed and/or implemented in the organizational management of the library, media center or learning resources center, utilizing systems of MBO (Management By Objectives).

AAP

Under the auspices of the United Board for College Development, TACTICS' Academic Administration Program works to strengthen the academic administrative leadership of the participating colleges by assisting academic administrators to 1) solve problems of academic management based on the principle of developing team leadership (with emphasis on role definition, communication skills, problem-solving competencies, etc.), and 2) develop and demonstrate academic management capabilities in the following areas:

1. Academic long-range planning
2. Academic program budgeting and cost analysis
3. Staff and faculty recruitment and evaluation
4. Role and function of academic managers
5. Academic policy making
6. Academic organization
7. Processes for curriculum change
8. Interpersonal communication and problem-solving skills
9. Fiscal, legal and programmatic accountability

Of central significance to the program is the staff of consultants who conduct campus workshops and participate in inter-institutional as well as staff development seminars. Consultants are assigned to institutions on the basis of current need; hence, an assignment may be extended or brief.

The undergirding thrust of the Academic Administration Program is to increase institutional goal performance and accountability, in order to insure the stability of the institutions and their survival as viable educational facilities. Some of the program objectives emerging from this approach to service by the AAP are listed as follows:

1. To encourage horizontal rather than vertical academic administration, i.e., to broaden the administrative base through greater involvement of middle-level

administrators.

2. To assist in establishing administrative and faculty development evaluation procedures.

3. To assist in improving management and administrative procedures through academic team development.

4. To develop academic advisement processes.

5. To develop specific procedures and guidelines for using academic program costs, student outcomes, and faculty evaluation results in decision-making processes.

6. To assist colleges in understanding the legal requirements of accountability.

7. To establish and facilitate the linkages and interrelationships inherent in the PME system.

8. To promote performance-based budgeting.

The Academic Administration Program Proposes distinct and differential activities in achieving the objectives set forth. These activities are designed to meet the needs of the colleges participating in the program by addressing academic decision-making in 1) cost-efficiency and cost-effectiveness analysis, 2) legal accountability in academic decision-making, 3) design and management of faculty evaluation and development, and 4) the role of academic administration in planning, management and evaluation activity to assist colleges in moving toward Advanced Institutional Development status.

Thirty-seven colleges have completed the various stages of cost-effectiveness analysis with the Academic Administration Program. Eleven publications have been produced and distributed among participating institutions.

MDP

The Management Development Program component of TACTICS was established in 1971 with the Phelps-Stokes Fund serving as the Assisting Agency. From that time forward, the focus of MDP has been the development of comprehensive management systems and coordinated team skills in the administration of developing institutions.

MDP achieves its purpose through administering workshops, conferences, cluster training seminars and campus visitations to train the institutions' administrative staff in such areas as value analysis, purchasing systems, advanced management techniques, effective executive communications, maintenance management and executive secretarial development. MDP conducts a direct mailing service, distributing to presidents and development officers selected management articles from professional literature.

MDP has administered the Management Systems Inventory (MSI) to more than 80 TACTICS institutions for the purpose of assessing their management structures in order to help these institutions effect positive change. The MSI gives a picture of the institution as it is viewed from several levels within the college community. The resultant reports of the MSI outline the strengths and weaknesses of institutions' management systems and recommend varying approaches for improvement. The data gathered by the MSI has proved to be a very valuable tool in planning for TACTICS service delivery to institutions.

The Management Development Program is concerned with Institutional Development, concentrating on the following areas:

1. Need for additional funds
2. Competition for enrollment
3. Need for Long Range Planning System
4. Resource Management
5. Communications and analytic information flow
6. Leadership and executive team development
7. Management process to facilitate curricular applications
8. Market research for techniques for curricular development
9. Organizational relations
10. Performance evaluations

In 1976-77, MDP focused its attention on "Planning for Enrollment" and "Comprehensive Management Planning." Service delivery was administered in the form of Management systems inventories, management conferences, workshops, and management technical assistance.

In 1977-78, MDP identified four areas that document the need for training, based on data provided by the MSI. Those four areas are institutional organization, communication, fiscal office procedures, and development office procedures. As a result of these problem areas identified by the MSI, MDP has concentrated its efforts on the development of skills and techniques in resource management (human and physical) with particular reference to accountability procedures for managers of Title III programs. Service delivery takes the form of MSI administration, on-campus technical assistance, cluster conferences, and workshops. The Management Development Program is utilizing the Phelps-Stokes Fund's Evaluation as a Process for Progress (EPP) evaluation methodology in order to determine the effectiveness of the program.

In 1978-79, MDP will continue to provide technical assistance in traditional categories as it has done since its inception, but primary concentration will focus on "A Total Institutional Approach to Marketing." Service delivery will take the form of five marketing institutes and on-site technical assistance in marketing, management systems inventories, and evaluation.

MFFRP

The Moton Federal and Foundation Relations Program (formerly the Moton College Service Bureau), sponsored by the Moton Memorial Institute, has as its goals increasing the schools' awareness of aid sources and building proficiency in proposal preparation. The major thrust of the efforts of MFFRP is two-fold: to assist the participating institutions in strengthening their federal and private sector fund raising programs and to assist the institutions in strengthening their management practices for fiscal accountability and effective program implementation.

MFFRP analyzes and reviews federal programs and sends regular memos to the colleges announcing new federal and private funding sources and proposal deadlines. The program also provides policy and direction to the entire grantsmanship effort of the institutions. In particular, the activities and services of MFFRP-

- Stimulate the development and submission of sound proposals through on-campus proposal development workshops and conferences.

- Provide on-campus, in-office, and conference-type training for Federal Relations

- or Grant Officers.

- Provide on-campus, in-office, and conference-type training for Title III Coordinators and other program or project directors.

- Provide technical assistance in organizing institutional grants councils and provide training programs for these campus teams.

- Supply on-campus grants administration training programs for directors, program staff, and administrators.

- Provide consultants, under special circumstances and as resources permit, for technical assistance in proposal preparation.

- Identify and research potential federal and private sponsors for specific programs.

- Develop relationships with responsible federal agency personnel to obtain information and guidance regarding their programs.

- Schedule appointments with appropriate federal agency staff members for institutional representatives.

- Clarify questions of interpretation and procedures during the course of grant application.

- Distribute general and specific information on federal program assistance and application deadlines.

- Provide limited secretarial services to Federal Relations Officers and institutional representatives visiting Washington in connection with grant applications.

- Provide technical assistance to college officials to assist them in complying with recent Federal accountability regulations.

MFFRP has worked to increase greatly the number of full-time Federal Relations Officers and Grants Councils on the campuses of TACTICS schools in an effort to increase the number of proposals submitted and funded.

MCAFA

The goal of Moton Memorial Institute's MCAFA program is to effect change in TACTICS institutions through a series of specially designed programs and activities to improve the administrative skills and intrainstitutional relationships in the management of enrollment and student aid administration. MCAFA conducts five major programs; 1) Research and Data Collection, 2) Training Workshops, 3) On-campus consultations, 4) Information Services, and 5) Intensive Program Audits and Reviews.

The services provided through these programs include the following types of activities:

1. On-campus assistance in improving the processes of recruitment, admissions, and student aid administrations.
2. On-campus supervision in the analysis and documentation of successes and failures in admissions, recruitment, and student aid administration, with the results to be used as guides to improve future efforts.
3. Assistance in strengthening recruitment methods for attaining enrollment projections.
4. Promoting of institutional involvement with recruitment, admissions and financial aid offices in the development of a sound retention program.
5. Training of new financial aid and admissions personnel.
6. Providing of information and materials on current trends affecting the operation of admissions offices and the administration of student aid.
7. Evaluating of office procedures and assisting in the preparation of operations manuals.
8. Developing of surveys and questionnaires for research, and developing of a program for systematic reporting.
9. Assistance in analyzing credentials and predicting achievement.

10. On-campus assistance in improving the registration process.

11. Providing of information on such topics as salaries, job descriptions, comparative enrollment, attrition.

12. Providing of reports on recent legislation and impact on admissions and student aid.

13. Stimulating of inter-institutional cooperation.

14. Assistance in developing creative alumni recruitment activities.

15. Preparing and distributing of appropriate publications in the areas of admissions, recruitment, registration and student aid

16. Conducting of admissions and financial aid audits and program reviews.

Because of the exceptionally high turnover in admissions and financial aid personnel, often resulting in ineffective or inappropriate assignments, MCAFA's training program is continually needed. MCAFA also works to increase the visibility of the colleges in an effort to broaden the market for potential students. The Moton Guide to American Colleges with a Black Heritage has been distributed to high schools, public libraries, individuals, agencies, organizations, and educational centers.

PSS

Under the guidance of University Associates, Inc., PSS provides technical support to the seven TACTICS technical assistance components and to the TACTICS Coordinating-Management Office. In general, PSS provides technical support utilizing its capabilities in 1) educational management consultation, 2) program development, 3) research and data analysis and interpretation, and 4) graphic and communications services.

More specifically, in the performance of its services for the TACTICS institutions through the components and the Coordinating-Management Office, PSS functions in the following ways:

1. Assisting in overall program conceptualization, formulation of program strategies, planning, development, and program coordination.

2. Assisting in planning and coordinating evaluations of overall TACTICS program.

3. Assisting in the preparation of materials to improve institutions' management systems.

4. Designing and developing materials on careers and their relation to college majors.

5. Increasing awareness of TACTICS services and other assistance opportunities through the preparation and publication of the monthly TACTICS Newsletter.

6. Disseminating information on educational developments through the TACTICS Newsletter and other sources, such as the ERIC system.

7. Assisting components and the Coordinating-Management Office through the design and preparation of visuals and graphics.

8. Providing technical assistance and position papers, as requested.

9. Assisting in the development of proposals, annual reports, brochures, and other documents.

10. Responding to written and telephone queries concerning the nature of the TACTICS program and its services.

11. Researching, analyzing, and interpreting educational, economic, and legislative data of interest to TACTICS institutions or the components.

12. Assisting in documenting technical assistance needs and administrative and management problems.

13. Providing information and data of value to colleges in furthering their curriculum-related career programs.

14. Providing information and data of value to colleges in their external relations programs.

15. Assisting in planning for and coordinating increased Private Sector support for TACTICS-served developing institutions.

16. Increasing communication between TACTICS colleges and universities and the private sector.

To date, 51 papers on a variety of educational topics have been written by PSS staff and consultants; 11 publications have been printed and distributed to TACTICS institutions and others requesting them.

EVOLUTION OF OBJECTIVES

At the inception of the TACTICS program, five major objectives were agreed upon by the organization and the presidents of the institutions to be served. In its first three years, the aims of TACTICS were these:

> To create a pool of deployable manpower capable of dealing with specific institutional problems identified by the colleges. This manpower will consist of the most highly skilled personnel in these colleges as well as in the nation.
>
> To assist the colleges in their efforts to strengthen academic programs by helping them design academic support and administrative support systems.
>
> To establish a closer interface between federal programs and institutions for their mutual benefit.
>
> To ensure that the colleges become knowledgeable about federal funding programs, as well as non-government programs from which they can benefit.
>
> To assist the colleges in their efforts to become recognized as a national resource by directing their expertise in research and education to a number of high-priority social problems in both urban and rural settings.

The assessment and evaluation of the TACTICS program for 1973-74 revealed that TACTICS through its several component programs and services, succeeded in updating the information, the understanding, and the techniques and procedures of administrators, faculties and staffs of the colleges in the problem areas delineated at the outset of the program. These personnel who had improved their knowledge and abilities found, however, that getting needed changes instituted on campus was quite difficult. The campus personnel who had received TACTICS assistance were as pieces of a puzzle unassembled. To put the pieces together, the TACTICS Team Approach was emphasized in accomplishing the objectives of the second three-year span. Various TACTICS components and college personnel at several levels within each institutions cooperated in planning, developing, and utilizing programs and services.

The TACTICS II objectives tackled through the Team Approach were as follows:

Helping institutions set or redefine purposes, goals and objectives and set priorities on these in view of limited resources.

Formulating short and long range plans to achieve institutions' objectives.

Integrating resources for accomplishment of plans.

Developing programs and services for achievement of plans.

Evaluating efforts.

Activities relating to these objectives constituted the "Institutional Development" emphasis of TACTICS II.

Recognizing the advancements made by the TACTICS institutions in many areas, but realizing the need for more training and greater efforts in institutional management, particularly with the recent increase in accountability requirements, TACTICS III seeks to improve institutional goal achievement through management systems approaches to performance and accountability.

Based on this overall goal and the needs of the individual institutions as they have defined them, the objectives of TACTICS III are as follows:

To assist developing institutions in strengthening their personnel, academic and management capabilities, and their physical resources, in order to progress along the continuum of development.

To assist institutions in improving their operating performance and accountability through the development, implementation and application of effective management systems, e.g., PERT, MBO, PPB, and PME.

To assist institutions in meeting the requirements for qualifying for the Advanced Institutional Development Program.

To interface, through the institutions' Title III Coordinators, all TACTICS technical assistance services and programs with other applicable Title III programs being received by the participating institutions.

To assist institutions in applying their resources to responding to major current problems of society (e.g., shortages of medical personnel, lawyers, engineers, researchers, and management personnel; and societal problems such as pollution, crime, transportation, housing, employment, and care of the aging).

METHODOLOGY

The TACTICS service components deliver their programs and services through a variety of methods. Depending upon the nature of the institutions' needs, the resources available, and the goal to be achieved, TACTICS components conduct conferences, workshops, seminars, on-campus visits, telephone consultations, and information mailings.

TACTICS institutions request the services they need through the Work Statement, a form on which the problem area, objective to be achieved, time frame, and responsibilities of the institution and those of TACTICS are specified.

Milestone charts are employed to plot out activity steps toward the achievement of goals. The institutional program managers have been instructed by TACTICS personnel on methods of keeping track of progress toward objectives through the use of these charts, and TACTICS component directors themselves chart their activities toward the achievement of the objectives of their programs. Performance criteria, PPB, MBO, and PME are other means employed to improve program management.

The TACTICS Team Approach is employed extensively to bring the expertise of two or more components to bear on a multi-faceted problem (as most institutional problems are). Though one component may receive the Work Statement on a specific problem, that component will be assisted by whatever other components may have contributions to make to the solution of the problem.

TACTICS makes frequent use of the Cluster Concept. Institutions with similar problems or those in the same geographic area are grouped into clusters and are worked with collectively to facilitate appropriate and economical service delivery.

Schools desiring the services offered by the TACTICS consortium may apply to the Office of Education for "developing institution" status and approval to receive TACTICS services. Schools may also write to the TACTICS Coordinating-Management Office which will then direct the request for services to the Office of Education, BIDP Division.

BIOGRAPHICAL SKETCHES OF TACTICS PROFESSIONAL STAFF

Van S. Allen, Executive Director of TACTICS. A.B., Biology; M.S., School Health and Zoology; Certificate of Alcohol Studies; M.P.H., Public Health; Ph.D., Public Health. Formerly, Assistant Head of Biology Department, Associate Professor of Biology, Social Service Director, Economic Opportunity Director, Lecturer in Social Work, Associate Director of Institute of Higher Educational Opportunity. Consultant to numerous colleges and universities and to government agencies. Member of Board of Tougaloo College and the LQC Lamar Society, published over 40 articles in the fields of health, science and education.

MIS

(Institute for Services to Education)

Mary Carter Williams, Director of MIS. B.S., Elementary Education; M.A., Education; Ph.D., Educational Administration and Educational Technology. Taught elementary school; was Reading Specialist, Director of Public Information, consultant in management and management information systems. Currently directs Division of Research and Evaluation, ISE. Competencies include administration, curriculum design, computer-based education, educational research, new management technologies.

Burton Lamkin, Associate Director for Systems, MIS. B.S., Chemistry; M.S., Library Science; additional study with IBM in communications, computer science and management. Has served as consultant in management information systems, systems analysis, information management, educational services, federal liaison and coordination, program planning and evaluation. Has administered federal grants; designed library and information retrieval systems; prepared policy and procedures manuals; taught university courses in systems analysis, automatic data processing and management. Was ranking U.S. delegate to UNESCO in France and IFLA in Russia and Hungary.

Consultants

Frederich A. Fresh, B.C.E., Civil Engineering; M.A., Mathematics; M. Eng., Civil Engineering. Currently, Assistant Professor of Business; was systems analyst and data processing project manager. Worked with manual procedure development, systems simulation, time-shared and large scale batch processing problems. Planned and directed the implementation, installation and training for an expense control system. Former Director of MIS.

Harry N. Keeling, B.S., Mathematics and Computer Science; M.S., Computer Science (software and operations research). Has coordinated work of programmers and researchers in systems development; provided technical marketing support on proposals; designed research instruments, data transcription procedures and computer support systems; written COBOL programs in several areas; produced several publications for the U.S. Food and Drug Administration.

Armand Chambers, B.A., Psychology and Physical Sciences; M.A., Experimental and Social Psychology; Ph.D., Experimental and Statistical Psychology; post-graduate studies in Biomedicine. Is founder and director of Century III Center (a research and consulting organization). Has served as consultant to numerous agencies, businesses, corporations; directed several research offices and programs; conducted training and field surveys; developed manuals and other educational material. Authored over 250 reports and numerous published articles and chapters in books. Major focus: the safety, health, performance and satisfaction of people as they interact.

Diane R. Brown, A.B., Sociology, Mathematics; M.A., Sociology, Research Methodology; further studies in Project Management and Urban Planning. Currently, research associate in urban affairs and research. Was Special Assistant to Provost, Massachusetts

State Colleges; coordinator of information services; systems engineer; and consultant in survey design and analysis.

Dudley W. Gill, B.S., Engineering; Doctor of Science. Currently, a principal of Dudley W. Gill and Associates and Director of Information Process and Analysis. Has conducted government studies; developed education models; developed survey instruments; served as management consultant to several companies and corporations. Was also Assistant Professor of Electrical Engineering.

John J. Pateros, B.A., Business Administration; C.P.A. Is consultant in institutional improvement programming in planning, budgeting, administration, curriculum structure, finance, student affairs development and support services. Has collected data for HEGIS and conducted education studies. Was manager of higher education consulting firm; university Vice President for Business and Finance; and a financial management officer for the U.S. Office of Education.

CAP
(Institute for Services to Education)

Alfred L. Cooke, Director of CAP. B.S., Secondary Education; M.S., Guidance and Counseling; Ph.D., Counselor Education and Counseling Psychology. Served as Director of ISE's Consortia for Institutional Research; Assistant Director of Financial Aid, guidance counselor, administrative assistant, academic advisor, and public school teacher. Competencies include systems development, teaching of guidance and counseling, and program administration.

Consultants

Bernard G. Crowell, B.S., Biology; M.S., Physical Education; Ed.D., Higher Education. Presently Vice President for Academic Affairs. Formerly, Director of Admissions and Records, Institutional Research, Special Projects, Five College Curriculum Innovative Thrust, Physical Plant and Security, Athletics; Coordinator, College and University Institutional Research Consortium; Chairman and Professor of Health and Physical Education; Assistant Football Coach; Associate Director of Upward Bound; Head Basketball Coach, Track Coach.

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William S. Edmonds, B.S., Secondary Education; M.S., Counseling and Guidance; Ed.D., Education and Counseling Psychology. Presently, Dean, School of Graduate Studies. Formerly, Dean of Students; Counselor; Chairman, Division of Education and Psychology, Academic Testing Program; Director, Division of Graduate Studies; Professor, Educational Psychology; Vice President for Academic Affairs; Academic Dean.

Elton C. Harrison, B.S., Mathematics; M.A., Education; Ph.D., Education. Currently, Vice President for Administration and Planning. Formerly, Instructor of Mathematics; Assistant Professor of Education; Director and Professor of Industrial Technology; Coordinator of Instruction; Dean of the University; Vice President for Academic Affairs; University Vice President.

Charles L. Knight, A.B., History; M.A., History; Ed.D., Educational Psychology (Counseling and Guidance). Currently, Professor of Education and Vice President of College. Formerly, Acting President; Dean of Faculty and Instruction; Dean of the College. Director of Counseling Services; Dean of Instruction.

Edward E. Riley, B.A., Zoology; M.S., Zoology; Ph.D., Biology. Presently, Academic Dean. Formerly, Instructor in Biology; Chairman, Division of Natural Sciences; Associate Professor of Biology; Professor of Biology; Dean of Instruction.

Robert E. Shepherd, B.S., Music; M.A., Education; Ph.D., Academic Administration, Higher Education. Currently Assistant Academic Dean. Formerly Vice President for Academic Affairs; Assistant Director, TACTICS Cooperative Academic Planning Program; Educational Program Specialist, USOE.

Roy A. Woods, A.B., Mathematics; A.M., Mathematics; A.M., Physics; Ed.D., Science Education. Formerly, Research Scientist; Professor of Mathematics and Physics; Chairman, Divison of Natural Science; Head of Physics Department; Vice President for Academic Affairs.

E. Oscar Woolfolk, B.A., Chemistry; M.S., Chemistry; Ph.D., Chemistry. Dean of the University. Formerly, Instructor of Chemistry; Research Chemist; Professor and Chairman of the Department of Chemistry; Director of the Division of Natural Sciences and Mathematics; Dean, College of Arts and Sciences; Vice President, Academic Affairs; Director, Cooperative Academic Planning Program.

LA/ET

(United Board for College Development)

Dalinda M. Brown, Director of LA/ET. B.A., Elementary Education; M.Ed., Educational Technology; Doctoral Student, Educational Technology. Taught in elementary and middle schools; Coordinated tutorial reading skills program; directed and coordinated wide recreational programs; designed, developed and implemented learning packets in Mathematics for Personalized Systems of Instruction usage; designed and developed multi-media presentations; planned and coordinated workshops in educational technology and library management; and developed a system for cataloging and shelving non-print materials. Was nominated an Outstanding Young Woman in 1975. Presently holds membership in Alpha Kappa Mu and Kappa Pi National Scholastic Honor Societies.

Consultant

Courtney Funn, B.A., Education; M.L.S., Library Science. Presently, Director of the Library and Assistant Professor of Music in Evening College. Member of Coordinating Council for Academic Libraries, Middle States Association of Colleges and Secondary Schools, National Council for Accreditation of Teacher Education, Bowie Industry Cluster, Task Force for Computer Information System; served on program evaluation teams.

AAP

(United Board For College Development)

Haywood L. Strickland, Director of AAP. B.A., History and English; M.S., History; Ph.D., History (with emphasis on the Negro in America since the Civil War). Was Associate Professor of History; Upward Bound Project Director; Visiting Professor of History; Assistant Director of Special Studies, Southern Association of Colleges and Schools; Assistant Executive Secretary, Commission on Colleges; Director of Rural Minority Assistance Consortium; President of Kittrell College; and consultant to the Office of Economic Opportunity, Office of Education and other organizations.

Dorothy S. Beatty, Program Specialist, AAP. B.A., English Education; M.S.W., Social Work Education; additional study in Social Work Administration. Presently, Instructor and Field Work Coordinator in Social Welfare. Has served as personnel interviewer and social work consultant in Head Start; Office Manager of public relations and development office, and admissions, recruitment, placement and alumni office; group leader for juvenile girls in foster home; consultant with churches in neighborhoods changing from white to black. Member of several social work organizations.

Consultants

David Spence, B.A., History; M.S., Education; Ph.D., Higher Education. Served as Assistant Director of AAP; Associate Director of Academic Cost Analysis Project; Assistant Director of College Work Study Program; Consultant to several colleges and church education boards.

Joffre T. Whisenton, B.S., M.S., Health and Physical Education; Ph.D., Educational Psychology and Guidance and Counseling (minors in Physical Education, Special Education, Administration and Curriculum Development). Was Professor and Chairperson of Education and Psychology; Program Associate in Office of Student Development; Associate Executive Secretary, Commission on Colleges; Instructor of Physical Education; sports coach; Dean of Men; Director of Athletics; Director of Institutional Self-Study Program. Recently served as Special Assistant for Educational Policy to the Secretary of HEW – handled, on behalf of the Secretary, contacts with key government officials, legislators, national organizations, and citizens groups and represented HEW in discussions of educational policy with White House, Congress, Government agencies, etc. Member of many professional and social organizations.

Stanley H. Smith, B.A., Social Science, M.S., Sociology; Ph.D., Sociology. Dean of the College of Human Resources and Professor of Social Welfare. Was Chairman of Sociology, Lecturer in Sociology and Community Psychiatry, Dean of the University, Project Director of Graduate Training Program in Social Gerontology, member of the College Evaluation Committee for Ford Foundation, member of several boards, consultant to various groups. Has published extensively.

Bernard S. Smith, B.A., Psychology; M.Ed., Education Administration; Ph.D., Education Administration. Was instructor of Science and assistant high school principal; academic counselor; coordinator for Southern Regional Education Board Inter-Institutional Seminars; Assistant to Dean of School of Education; Associate Director of Exchange Program Consortium; Associate Director of the United Board for College Development; Assistant to Chancellor at Atlanta University Center; Vice President for Special Programs; Director of institution's AID Program; consultant to andmember of several organizations.

Catrelia V. Steele, Coordinating College Representative. B.S., Business Education; M.S., Business Administration; served as Registrar, Director of Cooperative Education, Title III Coordinator. Competencies include student placement & program administration.

MDP
(The Phelps-Stokes Fund)

George Stokes Jr., Director of MDP. B.A., Sociology; M.A., Sociology; further graduate work in Special Education (educating the visually and auditorially impaired) and program management. Taught in public secondary schools for the blind and deaf; served as Director of Development at 2 universities; co-directed an internship program in development, and international curriculum development. Mr. Stokes is Executive Secretary of AFRO-INC (a professional association of development officers in minority institutions).

Mary D. Price, Program Officer, MDP. B.A., Anthropology; M.A., Sociology and Education. Coordinated numerous faculty and student projects and programs; planned and coordinated workshops on institutional management and on paraprofessional education; developed a study of community and other voluntary associations as non-formal educational resources and facilities; researched management information to determine suitability for publication; developed and administered research instruments and interview schedules; wrote and edited grant proposals.

Ramon L. Raiford, Program Officer, MDP. B.A., Psychology. Taught in elementary and secondary public schools; directed methadone drug abuse program, establishing management systems for and providing management information to drug abuse offices; served as Coordinator of Adult Continuing Education in Dade County, FL; currently conducts site visits to developing institutions of higher education and coordinates workshops in management, planning, and development.

MFFRP
(Moton Memorial Institute)

Leonard E. Dawson, Director of MFFRP. B.A., English; M.A., Guidance and Counseling; Professional Diploma, Educational Administration; Ed.D., Counselor Education. Presently directs proposal writing workshops and training programs, assists proposal development. Formerly served as Director of Region IV for Upward Bound Program, division representative to Federal Interagency Committee on Education and Veterans Programs, college dean of instruction, high school counselor and teacher.

Consultants

Marcus V. Bell, B.A., Social Science; M.A., Educational Administration; further study, Administration and Supervision. Served as field coordinator for Moton College Service Bureau; Coordinator, Mission-Moton Education Opportunity Center; OE Education Program Specialist; Director of Upward Bound; public school teacher.

Clyde C. Aveilhe, B.A., Political Science and Education; M.A., Education; Ed.D., Guidance and Counseling. Presently, Assistant Director of Washington, D.C. Office of Educational Testing Service. Formerly Director of Project OPEN–ACCESS, Director of Student Activities, Assistant Director of Admissions, pupil personnel worker in Title I Program, teacher, and consultant in measurement and evaluation.

Finley T. McQueen, B.S., Agricultural Education; M.S., Agricultural Education; Ph.D., Education Administration and Supervision. Taught vocational education in agriculture; was Assistant Professor of Agricultural Education, Visiting Professor of Adult and Teacher Education, Chief of Party and Director of Tuskegee Institute's West Africa Project in Liberia, Advisor to Liberia's Minister of Education. Served as consultant to private and government agencies, universities and colleges, and several African ambassadors and embassies on education and rural community development programs. Currently, President of National Association of Federal Relations Officers and a member of numerous educational, agricultural and development organizations.

John Foster Potts, Sr., Honorary Doctor of Pedagogy, Honorary Doctor of Humane Letters. Was assistant principal of elementary and high schools, high school social science teacher, high school principal, navy recruiting specialist, President of Voorhees College, Assistant Director of the American Church Institute of the Protestant Episcopal Church, Executive Director of Triangle Association of Colleges, Director of Moton College Service Bureau, Office of Education field reader and site visitor. Prsently, consultant to several colleges in proposal preparation and Title III Program evaluation.

James M. Hinton, Jr., A.B., History; L.L.B., Law. Admitted to practice before the bars of South Carolina and Georgia and the U.S. District Court. Experience as Title III

Coordinator; Federal Relations Officer; Financial Researcher; Legal Review Counselor for Economic Development; Third Vice President for Administration and General Counsel, the Pilgrim Health and Life Insurance Company. Served on numerous boards and was a member of the Georgia State Advisory Committee on education. Also conducts private law practice.

MCAFA
(Moton Memorial Institute)

Robert L. Albright, Director of MCAFA. B.A., History; M.A., Education; Ph.D. Candidate (ABD), Higher Educational Administration. Taught in high school and college; served as Director of Admissions, Director Upward Bound, Director of Special Services, Dean of Students, Vice President for Student Affairs. Taught for the past six years at the Harvard Summer Institute on College Admissions. Served as consultant to OE, the Student Services Institute of the United Board for College Development, and the Pennsylvania Department of Education. Competencies include admissions and financial aid, designing and administering Special Services Programs, student affairs administration, statistical evaluation, and institutional administration.

Ellen J. Anderson, Coordinating College Representative. B.S., Secondary Education; M.S.W., Social Work. Currently, Title III Coordinator. Formerly, taught high school business courses, was Supervisor of Education for church-related schools. Further experience as social worker and community service program director for city and county housing and urban renewal program. Competencies include administration, supervision, consultation.

PSS
(University Associates, Inc.)

Frank A. Rose, Chairman of University Associates. B.D., Theology; L.L.D., Theology. Formerly President of Transylvania College and the University of Alabama; Founding Trustee of the Salk Institute. Has broad experience in higher education and public policy. Currently, president of the L.Q.C. Lamar Society.

Luther L. Terry, President of University Associates. B.S., Biology; M.D., Medicine.

Formerly Surgeon General of the United States Public Health Service. Has extensive experience in medical education and the administration of national health programs. Currently, a diplomat of the American Board of Internal Medicine, a Master of the American College of Physicians, and special consultant to the American Cancer Society.

Arthur W. Braden, Director and Senior Associate of University Associates. B.A., History and Philosophy; M.A., Philosophy; Ph.D. Formerly, Director of Division of Humanities and Society and Social Sciences, and Director of Academic Services at the University of Alabama, and Vice President of Transylvania College. Extensive experience in teaching and administration.

Richard M. McCarthy, Executive Director of University Associates. B.A., English. Experience with program design and management of public information and educational programs, communications, social and economic development during two decades with the United States Foreign Service. Formerly Director of Development of the Salk institute.

William B. Seiniger, Senior Associate and Coordinating Director of TACTICS PSS. B.S., Business Administration, M.B.A., Business Administration. Has served as consulting associate, Management Science/Research Corporation, Cleveland, Ohio; staff and faculty member, Leadership Training Institute, University of South Florida; Industrial Consultant in the field of organization and organization development to a number of manufacturing and research and development firms; faculty member and Associate Dean, School of Business, University of Buffalo (now SUNY at Buffalo)

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STATEMENT OF VAN ALLEN. EXECUTIVE DIRECTOR, TACTICS CONSORTIUM

Mr. Allen. Thank you very much, Mr. Chairman and members of the committee.

We of the TACTICS program are especially appreciative to you and your committee for inviting us here today. I should like at this time to ask your permission to utilize some visual aids that we have brought along to assist us in our presentation.

Mr. Ford. Go right ahead.

Mr. Allen. I should like to begin by speaking to the strength of the consortia, and particularly what the TACTICS consortium has meant to us and to our institutions:

The opportunity to do for ourselves what other people are able to do and have done for themselves has been a particularly important function that this program has performed for the group of institutions that we serve.

The opportunity to bring together our divergent talents and expertise into an institutional context for broad application, the opportunity to grow and develop, the opportunity to provide self-help, and the opportunity to be equal in terms of equals doing for themselves what they have need of.

We are able to show and demonstrate our skills for all of the Nation to perceive, and we have been able to share this expertise not only with historically black institutions, but interested and participating white institutions.

The material that I will share with you now will tend to demonstrate some of the specific ways in which this consortium has been able to help the institutions that we serve.

We, first, through the TACTICS program, concentrated on the personnel on the campuses of these institutions, helping them to update their background information, and procedures to better carry on their purposes. This phase of the program was called TACTICS I, professional development.

Having engaged in this kind of activity for 3 years, we raised the question of ourselves as to just what do we do now that we have been able to reach large numbers of the people on the campuses and address their particular roles and functions?

In consultation with the representatives on the campuses, we determined, with their consent, that they were ready to concentrate on taking their new skills and understanding of their problems and turning these to the task of solving their internal problems. This stage of our program, we called TACTICS II, institutional development, which extended over the second 3 years of our operation.

The work that we did with the institutions in TACTICS II tended to be focused on the problems and concerns that the institutions had within their internal operation, and this got us into practically every aspect of the institution's operations: curriculum, data systems, data management, academic administration, et cetera.

The evolution of the development of the TACTICS services moved from a professional development emphasis into an institutional development emphasis, and finally in 1977, when we examined our situation with the colleges and what their needs were, it was determined that the colleges were, at this point, ready to consider the whole question of goal achievement, and presently TACTICS is concentrating its efforts on helping the institutions to better achieve the goals and objectives that they have set for themselves. This phase is identified as TACTICS III, goal achievement.

Our approach to achieving all of these tasks has been one that we have defined as a team approach. This approach requires the program personnel of TACTICS to sit together and conceptualize the ideas for program and service thrusts for responding to the concerns and problems of the institutions, and to develop the systems for delivering these programs and services to the institutions.

More specifically, the process involves idea conceptualization, input, program planning, program development and program delivery. That is generally the procedure that we follow in developing our programs and services to be delivered over the period of a year, or whatever time is projected for achieving particular goals and objectives for the institutions concerned.

Here are some examples of the things that we have been able to do in the 7½ years that the program has been in operation. These have been selected for the specific purpose of demonstrating impact.

Twenty of the institutions that we have worked with in this program, have been helped to gain full accreditation. We have been able to help institutions in facilitating linkages in their academic programs, resulting in their being more cost effective.

Over 50 of the colleges have been helped in improving the basic skills of their students. TACTICS cost analysis studies have been used by 35 of our institutions for program and budget development, and 25 institutions have revised their faculty evaluation and development procedures with TACTICS help.

Our components have cooperated with the Southern Association of Schools and Colleges in self-studies for 20 institutions as they have struggled with their reaccreditation affirmation, and also in their efforts to become fully accredited.

Some 70 institutions have been helped to institute library media and learning resource centers and systems. Forty-two institutions increased use of their library media and learning resource center activity. Thirty institutions have been helped to implement management by objective systems in their library operations in particular.

Management systems inventories, completed by 91 institutions, have already been used by 35 institutions in the development of their long-range plans. Twenty-one institutions have used the management systems inventory data to determine their capabilities for participating in U.S. Department of Commerce business education programs, otherwise known as entrepreneurship programs.

We have established an information data base that has uniformity across the 105 institutions that have participated regularly in the program. Our data systems component has developed procedure manuals and job descriptions for long-range planning, and for the operation of data system offices. Seventy-five percent of the financial aid offices developed or revised operating manuals on the campuses of these institutions, and 90 percent of the institutions have established yearly calendars for management improvements in financial aid activities on the campuses.

Sixty-three percent of the institutions reported reductions in financial aid processing and awards notice turn-around time. Eighty-two percent reported increases in the amount of Federal monies received for financial aid. There has been an increase in Federal relations offices from four in 1971 to 53 in 1979. The average number of proposals submitted by each institution in 1971 was 10.2, and today that number is 20.4, average.

The percentage of proposals submitted to OE in 1971 by these institutions amounted to 87 percent, and to other sources in 1971, 12 percent. In 1977, the percentage of proposals submitted by these institutions to OE had been reduced to 73.5 percent, and there was an increase to 26.5 percent in proposals submitted to other agencies. This development reflects an increased and otherwise broadened sophistication on the parts of these institutions to make applications to other funding sources than OE.

Seven program needs analyses were done by the program Program Support Service over this period of time. Preparation of technical papers done to date, 78. Research and surveys done on minority college issues and problems, 9.

What are some evidences of the fact that these institutions have been strengthened by some aspects of the efforts that we have described here?

No. 1, the enrollment in these institutions increased from 178,000 in 1971 to 215,000 in 1977. The degrees granted, B.A. and B.S. degrees, increased from 24,000 per year in 1971 to 28,000 per year in 1977.

In 1977, ninety 4-year historically black colleges and universities accounted for 45 percent of the black college graduates in the Nation, while 1,866 4-year historically white institutions accounted for the other 55 percent.

Increase in the ability to attract corporate funds is another development that has been significant and, we feel, relates in part to what we have been doing with the institutions in this area.

Changes in the numbers of majors in certain degree disciplines is another index of TACTICS effectiveness. It is noted here that there has been a decrease in majors in the field of education from 46 percent of those graduating from historically Black colleges in 1966 to 34 percent in 1973. At the same time there has been an increase in the number of persons graduating in the areas of business and management from a 4-percent count in 1966 to a count of 16 percent in 1973, and climbing.

Gains in accreditation are reflected in the facts that 65 institutions were accredited in 1970 and the count had risen to 72 in 1976.

The corporate aid to private institutions increased by 58.7 percent between 1970 and 1977, and only 1 of the 110 historically black colleges and universities in the United States closed during the last 10 years.

These institutions have been talked about as being national resources, and we thought that it would be good to share with you an example in terms of just one of these colleges. The college illustrated here has an enrollment of 730 students.

Prior to 1959, ten living graduates of this college held medical and dental degrees. Between 1959 and 1970, this institution graduated 48 young people who went on to achieve medical and dental degrees in the professional schools of this Nation. At this point in time, 21 of the 58 physicians and dentists who graduated from this institution are located in the State of Mississippi where this institution is based, and 37 are in 23 States other than Mississippi. The lawyers in this case number 45, with 22 in Mississippi, and 23 in 13 other States. Even more fantastic statistics on this institution show that presently it has enrolled in 23 medical and dental schools around the Nation, 50 of its graduates.

In other related medical professions, this institution has 15 graduates enrolled; and in law school, 25. An even more impressive statistic for this small institution reports that 14 of its students in the class of 1978-79 have been accepted by 23 of the Nation's medical and dental schools.

This map shows where the dentists and physicians who graduated from this college are practicing today, and you will note that California has a large share, and that the Midwest has a large share, as well as the Northeast.

When we look at how graduates of our institutions are distributed in the Nation, we note that slightly less than half of them—43 percent—are still in the States where the institutions are ~~that~~ they graduated from, while the other 57 percent are located in the Northeast, the West, and the Midwest.

We think that this is illustrative of what the case would be if we analyzed similar statistics on a number of our other institutions located in the same section of the country.

As we look at what lies ahead for these institutions, we see the need for continuing support, in that there are many, many areas in which we have need for educated manpower, and these institutions have proven their potential to produce this needed manpower, and a willingness to do so.

There are broad areas that we see these colleges ready to respond to, and responding to, in terms of the resources that they have to work with.

A final word, Mr. Chairman. I would just like to respond to the question of why consortia should be continued as a part of title III. I think that the information that I have shared with you suggests some of the principal reasons why we feel that they should continue to be a part of the title III program.

The consortium offers the best opportunity for these institutions to receive sensitive, understanding help, and the necessary funds with which to carry out the functions which they are so capable of carrying out.

The consortium provides the opportunity to develop the capability that is needed to support this kind of service delivery, and to meet the kind of service needs that these institutions have exhibited. They provide the opportunity to establish baselines against which programs can be measured in terms of the accomplishment of goals that institutions set for themselves.

It—consortium—provides the opportunity to do more of what we do best in these institutions, namely, educate minority group students. The consortium is economically feasible in its operation, in that our program costs average about $27,000 per institution. The broad range of services offered would not be possible if we were not in a consortium type of context.

Finally, the program is illustrative of the Federal Government's concern that the effects of denial of the past are recognized and responded to.

Thank you very much.

Mr. **Ford**. Thank you.

I would ask all three of you gentlemen. I have not paid much attention to this before, but we require of the grantees, under this title III program, to expend the money only in a consortium with either other institutions or generally as follows:

Grants to institutions of higher education will be a part of the cost of planning, developing, and carrying out cooperative arrangements between developing institutions and other institutions of higher education, and between developing institutions and other organizations, agencies and business entities which show promise as effective measures for strengthening the academic program and the administrative capacity of the developing institutions, including such projects. It goes on with a long list of suggested projects.

Assuming the position by all three of you that your type of consortia represents an effective and efficient way in which to assist these schools, should we continue to require that grantees, in order to participate in this program, must be part of a consortium or cooperative activity with some other institution?

In 1965 it may not have looked this way to us, but today doesn't it seem a little paternalistic to suggest that the kind of institutions that you gentlemen have been describing cannot benefit from funds for strengthening their institution, unless they have a big brother taking care of them?

Mr. **Englund**. Let me take a crack at an answer. I would guess that there may be room for the kinds of programs that title III funds not to have the assisting agency relationship, if by cooperative arrangement you mean to identify specifically the assisting agency relationship.

There are, obviously, cooperative elements in our staff's relationship to the colleges and the colleges' relationship to each other, but I think the language of the law requires that assisting agency relationship, which can be another institution or another type of agency.

We happen to have a continuing relationship with CASC, and CASC provides us some important services to complement the services of the staff. But I think that it is reasonable to conclude that there might be some projects where an assisting agency should not be required. That is my opinion.

Mr. **Ford**. Between the three of you here, how many of the current grantees do you represent?

Mr. **Englund**. Grantees, or participating institutions?

Mr. **Ford**. Institutions designated as recipients. I guess it would be participating, although one grantee is dividing it up with somebody else.

Mr. **Englund**. 51 in our case right now.

Mr. **Witter**. 116 in our case for 2 years.

Mr. **Allen**. 62 in our case.

May I respond to your question, Mr. Chairman?

Mr. **Ford**. Yes.

Mr. **Allen**. In our case, the consortium, the TACTICS program, was developed at the request of the historically Black college presidents and chancellors. It is by their own choices that they participate in the program.

It was my understanding, however, that the institutions do have certain freedoms in terms of their institutional title III program involvements. That is, even in those instances, it is the institution that chooses the assisting agency, or whatever type agency it would relate to in carrying out its program activities.

We are indigenous to the institutions in that they created us for the specific purpose of responding to their technical assistance needs.

Mr. **Ford**. Presumably the majority of the TACTICS clients are in the Southeastern States.

Mr. **Allen**. Yes.

Mr. **Ford**. Do the developing institutions that you represent relate more directly to other institutions like themselves in another State, than they do to the traditionally white schools in the State, as a general rule?

Mr. **Allen**. My impression is that they tend to relate to institutions like themselves more so.

Mr. **Ford**. The Secretary of HEW is under an injunction of a court here in Washington to desegregate North Carolina, Virginia, and a number of States that had not moved forward in their higher education system.

Presumably if the objective of that court order were carried out, and the reason for the court order had been carried out in the first place, there would be a lot of resources coming forth for what had been traditional black colleges to develop themselves into larger institutions, in some instances.

Do you get involved in trying to marshall resources for that purpose?

Mr. **Allen**. No.

Mr. **Ford**. You represent both private and public institutions?

Mr. **Allen**. Right.

Mr. **Ford**. Now in North Carolina and Virginia, Califano has said to them, "Desegregate your public school system, but don't do anything that will weaken the traditional black colleges." Some people have had some difficulty working that out, and they give that as an excuse for going so slow down there.

Now are we working at cross purposes with the court, when you have a consortium that is characterized, in all of your descriptions, not in physical terms of the institutions, but in the racial makeup of the student population. I realize that this connotes an awful lot of things, given the historical basis for their existence. But is that a healthy long term sort of a consortium for developing institutions to be in that kind of racially identified status?

Mr. **Allen**. Mr. Chairman, there are, as you know, many opinions about this issue. The position that we have taken on this in terms of the technical assistance consortium is that for the most part it does not concern itself with the racial makeup of the institution.

Mr. Ford. No, but you describe the membership in terms of the racial makeup of the student body, rather than in terms of the characteristics of the schools with respect to their development, or their developmental needs.

Mr. Allen. Our concern is with doing what is necessary to help those institutions to be as productive as they might be. When you step beyond the business of what the composition of the student population is, then it becomes a question of how good is the math department, or how good is the course offering in biology, or what-have-you.

What we see in this is that the legal questions that are involved do not matter in terms of the educational situation, because you will still have to do the same job. Because the majority group institutions have had the kinds of advantages they have had over the years, and because the developmental process dictates that those institutions are not going to stand still for the historically black institutions, or the Hispanics, or what-have-you, to catch up to them, this in itself dictates that there will be a need for some kind of technical assistance mechanism to respond to these institutions on a continuing basis.

But I think the fact that we have found that the small historically white institutions have the same problems that we have in the small historically black institutions, so much so that they have identified with our service offerings and they are participating in our consortium, further delimits the importance of racial composition. The same has been true with the Hispanic institutions.

Many of those institutions are participating in our consortium because we offer the kinds of technical assistance and services that respond to the kinds of problems they have. I would contend further that the larger and more affluent historically white institutions, regardless of their resources and what-have-you, do not have the know-how or the expertise, or both, for doing the kinds of things that these institutions have need of.

There are thousands of us who are part of these experiences, who grew up in these experiences, who got our basic education out of these experiences, who know these situations from bottom to top. Because we have grown out of those, because we have succeeded out of these, it is we who are best equipped to develop the programs to respond to these needs and these institutions.

What is even more critical in this issue than just the matter of the service delivery bit that we are talking about, is the item that I mentioned earlier in terms of what this consortium has meant to the historically black institutions. There is an adverse impact effect in any experience that we have in this Nation when a people, who have the talents and the capability in terms of what they know how to do, to address themselves to their own problems, are denied the opportunity to do so.

I think frankly the whole question of what we mean by desegregation of the higher education institutions is going to come in for some very serious questioning and reexamination before we come to any solution, because much of what is being projected would tend to be de-dignifying for us.

The acts that are taking place put us in the position of questioning whether or not we have the capability, as a people, to run an institution, to head up an institution, whether or not we have the capability to grow. This is antiethical to the educational process.

The educational process requires that if you continue to learn, you have the need to continue to grow and expand. When, for example, the laws are suggesting that these institutions should be limited in what they offer, et cetera, it is counter to everything that has happened in the past.

We look at some of our States now, and some of us have lived long enough to remember that when another historically white institution was proposed, and the plans were worked out to develop it, nobody concerned himself about duplication of program offerings. That wasn't the question.

There have been a number of other issues involved in this whole situation that makes it a very complex problem, and there are no simple answers. But those are some of my thoughts, sir.

Mr. **Ford**. It is not for us to try to resolve with this legislation the problems being dealt with, to some degree, and ignored to a greater degree, by the courts. But it is in discussing what developing institutions are, what the level of expenditure of Federal funds ought to be for developing institutions, which is somewhat difficult to conceptualize unless you have some understanding of what it is we expect to be developing toward, just as GAO indicated here.

Are we looking toward a student population of X or Y, and where is it going to be, and what it is going to be looking for. What kind of consumer of education are we expecting to find 10 years down the road, and where is he or she going to be found, and what are they going to be looking for.

Now institutions all across this country that 5 years ago were picking and choosing, and rejecting applicants, are now advertising and soliciting like any other business. You go into a high school in the Detroit area now, and you will find every bulletin board covered with announcements that there is somebody coming, looking for students. That is relatively new.

We have the growth, fortunately, finally underway across the country of the community college system. I note that you indicate that 45 percent of all the black college graduates in the country are still coming from traditionally black institutions, but less than one-third of all the college students in the country, Black college students, are in those institutions.

The community and junior colleges probably would represent the largest mixed group for a whole lot of reasons, apparent to us, I suppose. But the fact is that we have converging different approaches as to what kind of institution is going to serve the population that we are going to have in a few years. Very frankly, we have a conflict here.

The community and junior college movement feels that they are somehow in competition with somebody's assumed priority for the type of institution that you represent. That priority was assumed on the basis of where members of this committee looked and thought they saw the most logical examples of the kind of institutions they wanted to assist. But it has changed into something different now.

It is very clear that we are going to have offers on the one hand to increase somebody's set aside, thereby decreasing somebody else's. We have a competition. That competition should not be resolved in who has got the most political clout at the moment, but on some rational kind of an assumption about where the resources really ought to be targeted in terms of a goal.

I thought I heard—I hope that the Office of Education tomorrow will have something to clear this up for us—this morning that we really don't have very much of a conception of what the goal is, or what we are trying to develop an institution. It is just a continuing sort of a bandaid-after-bandaid that we are talking about.

Are we really talking about, as I recall the language at the time that the legislation was considered, "The use of Federal funds to permit weak and struggling institutions to pull themselves up by their bootstraps."

I saw here, in the presentation of all the consortia here this morning, examples of what you consider to be effective use of these funds to developing institutions. I have some difficulty with how paying the travel expenses for people from Escanaba, Mich., to see a labor course some place, which then caused them to put it in that community college, is really doing a whole lot for developing an institution.

There are 101 ways without the use of Federal funds where those people in Escanaba could have achieved that, not the least of which is that Wayne University in Detroit probably has one of the best schools in the country for that matter, with a tremendous capacity to respond to a phone call on this.

I am not questioning whether this was a good thing to do. What I am questioning is whether it is worth doing at the expense of the more urgent needs that community colleges have, for example. If that is the best way that we can help the community colleges, we are not going to get the job done.

I happen to be a very strong believer in the fact that community colleges are entitled to the recognition for the fact that they have been a product, generally, of the local populations in most of the States, most responsive to the change that is taking place in our society as to who goes on to school as reflected by the age group that they serve, approximately 30 years for all students, and 35 years old for women. When I look at that, and realize what we are talking about with some of these other institutions, I realize that something is happening in spite of all of our neglect here.

Here we are fiddling around, talking about a few million dollars for a whole variety of little efforts to develop the institutions. Can we justify really this kind of a program on the basis of the kind of examples that were given here, and I am not trying to single you out in any way?

Where is the list? Alabama Christian College's involvement with the Instructional Action Center has resulted in the expansion of the media department. Introduction of a faculty staff newsletter, and more sophisticated techniques for analyzing student needs.

Do you want to know that most of the people that I represent in my district would not understand what the hell that is, and they would say to me: "What did they do with my money? What does that really mean?"

Mr. WITTER. I think that there is justification for working with the smaller type of programs that you are talking about, and that you see as examples cited there. These were meant to be illustrative, and in no way can really adequately describe what took place at each of those institutions over the 3 years.

Mr. **Ford**. One must presume that, taking the context of your statement, these examples are given as your best foot forward on why we should continue this consortium arrangement and continue to require it, because it is in that context that you present these examples.

I must submit to you as one member of this committee that if this is the best you can show you have been doing with it, I don't think we are getting very much for our money. I am not directing that at your particular activities. I am directing it at this whole concept that we are dealing with here of spreading a lot of money around in little tiny dabs, and really doing things that halfway imaginative people ought to be doing.

When we start talking about strengthening the faculty, for example, is really this the place, with the small amount of money that we have got to deal with, that we ought to be getting the resources to strengthen the faculty?

Shouldn't we be using some of our other programs more effectively to do that?

Mr. **Witter**. I will say, for the ACCTion consortium, we try to determine the colleges' needs each year. Because each of our colleges is only working in one of those four-activity areas that I mentioned earlier, there is an intensive kind of work in that area. And it is the institution which has said to the consortium, "This is the area in which we think we need the most strengthening at the moment."

On that basis, then, we work with the institution to determine its needs. We begin to work with them to try to do the things that they would like to accomplish. I think the institutions themselves in this day of limited resources at both private and public institutions, and becoming even more so in the future, can use funds coming from the Federal Government to help considerably to develop and strengthen themselves even though it may seem like it is coming in dribs and drabs.

I think, if you look at the total institution, at what is happening there, you will find that those institutions are considerably strengthened in those areas in which they have chosen to use ACCTion's help.

Mr. **Ford**. I am having some difficulty following that reasoning.

Iowa Western Community College in Council Bluffs has established a Women's Center as a result of ACCTion involvement. I thought that title IX had something to do with that?

Is it optional on their part? How are we helping an emerging struggling institution by counseling them, apparently, we did not provide the money for the Women's Center, counseling them in some fashion, and as a result of that counseling and professional assistance from you, they established a Women's Center.

Now they have to establish a Women's Center, or HEW is going to come down on them like a truck. We have Civil Rights Enforcement people over here, processing the complaints now. You only need one woman on that campus to complain that there is not an adequate facility called a Women's Center, and it is an HEW matter now.

Why, for example, would we need to do this kind of counseling at most institutions, developing institutions?

Mr. **Witter**. The response is that the community colleges, in their attempt to really open up and to provide access to all kinds of students who have not been coming to the institutions before, you find many of the colleges trying to provide some special kind of curricular help for that particular segment.

This college indicated that this would be one of their programs, one of the things that they would like to do. So we worked with them to try to do that.

Mr. **Allen**. Mr. Chairman, a couple of comments. If I may go back to your question that raised the issue of the developing institution's concept, again.

I am in agreement that this term has caused a lot of confusion, and still raises a lot of questions. The reason that it raises the question for me is because when we look at how our system behaves in general, there tends to be a certain consistency in its patterning.

For example, when the Federal Government wants some sophisticated research done, it will frequently turn to M.I.T., or when it needs some background and materials having to do with the classics, that project may end up at Harvard.

But when the Federal Government became interested in minorities, and particularly blacks, the monies to really seriously work with blacks went to the institutions who had no demonstrated track records for successfully working with minority groups, and particularly black people.

That has been a kind of consistent pattern. I point this out because if the pattern of going to the source where the strength had been demonstrated, had been followed, then I think that much of the money that went to institutions that had no track record in working with blacks, would have gone into the institutions that had the track record.

In the sense that you want to talk about development, I would say that the historically black college is far better developed to work with black students than are historically white institutions. This is no indictment of historically white institutions, I remind you. This is a cold reality of what the human experience is all about. Somehow or other, we do not seem to be able to come to grips with this.

About the issue of "dabs of money," one of the most important things that happened as a result of getting Title III funds down to the small community levels is the fact that the funds provided opportunities for the people there to get a taste of, and to participate in, some of the things that happen in the larger circles, and the more influential and powerful sections of the country.

This is terribly important for bringing equity to the democratic process. I don't know what would happen with many of these institutions, if it were not for the small dabs of money that they receive from the Federal government in terms of their being able to keep some kind of contact with the larger world.

As my colleagues have pointed out here, just the mere capacity to move out of your State to a conference where you are going to meet with your counterparts from other institutions, many times opens the eyes of the persons who have that experience to ways and means of solving problems they have been wrestling with for years.

There is just no way for us to put a value on that. For example, in our external evaluation of these programs, the people consistently say to us that: "The opportunity to go and meet with my colleagues from 6, 8, or 20 institutions was most useful to me. We were able to get a number of things worked out on our campus with that experience."

It is a small amount of money, but it serves to keep the lines of communication open for people at the very bottom of what our system is about in the country. I think that those who would make the decisions about whether these programs should continue, must take this factor into consideration. I think that it is terribly important that the personnel of these institutions should have this opportunity.

Mr. FORD. Would you gentlemen object if the commission had the authority to give an institution to go out and contract directly itself for somebody to strengthen one of their departments, a new administrator of some sort, to bring him on board and set up a system, instead of having to work in a consortium?

Mr. ALLEN. The institutions have that authority.

Mr. FORD. How can they meet the requirements of the statute that they must be working in cooperation with someone else?

Mr. ALLEN. I don't know how it is managed, but the institutions choose persons to come and work with them under their individual institutional grants all the time. They choose the assisting agency that they want to work with. That is their prerogative.

Mr. FORD. What about no assisting agency? What about if we left it optional, so that they could continue functioning through you as they do, but also if you have a school with a certain amount of imagination, some drive and community support, that comes in and says: "What we really need from the commissioner is some money so that we can get some of the kind of personnel we perceive we need to get us going."

Shouldn't they be able to do that sort of thing without having to be somebody's little brother, and be connected to somebody else?

Mr. ENGLUND. They are permitted to do that through bilateral arrangements. There is leeway in the legislation for different kinds of assisting agencies.

Mr. FORD. Bilateral agreements with whom?

Mr. ENGLUND. A bilateral grant under title III is one for which an institution applies on its own behalf to do whatever it is it wishes to do. I think the kind of thing you are describing is permitted, and in fact occurs, under those types of grant.

Mr. FORD. But only if it is an activity that is a part of some cooperative arrangement?

You cannot be a qualifying institution for any kind of a grant, unless you have a cooperative arrangement with somebody else.

Mr. ENGLUND. I think that you described the cooperating arrangement by suggesting that the institution be able to go out and bring in some external person or agency to serve in that capacity. It seems to me that this where the cooperative element of the arrangement would come in. I think that under title III some of those kinds of things happen.

Mr. **Allen**. Mr. Chairman, if I might speak further.

The consortium that we are a part of, the TACTICS consortium has no power or authority beyond that given to it by the institutions it serves.

Mr. **Ford**. I guess the question I was asking was whether or not your members would continue to operate through consortia if there was an optional arrangement that was available, rather than requiring it. There is no way around it, "Grants to institutions of higher education to be part of the cost of planning, developing and carrying out cooperative arrangement"—who is cooperating—"between developing institutions and other institutions of higher education"—they can make a deal with another school—"and between developing institutions and other organizations, agencies and business entities which show promise as effective measures for strengthening the academic program and the administrative capacity of developing institutions."

To qualify for a grant, you have got to show that you have got some kind of a partnership with somebody sharing in the decision process—presumably the partnership means sharing in the decisionmaking process.

Can any of you remember how this got in here? What made us decide at some time in the past, who lobbied this into the bill?

Mr. **Englund**. I think it is the case, or I would suggest that it is the case from having read some of the committee reports from 1965, that there were discussions about linkages that already existed between some developing institutions, primarily historically Black colleges in the South, and some of the larger State institutions—and perhaps some private ones—that were helping them.

Apparently there was an assumption that a big brother-little brother relationship was a helpful one, "to help pull them up by the bootstraps." The assumption was that you needed someone stronger, more competent, to do the pulling. I believe that this is where that language came from.

Mr. **Witter**. I would say, Mr. Chairman, I don't think that it necessarily needs to be required, but I would like to see, in the new legislation, at least the various options which might be open to an institution to help it strengthen itself. If the institution felt that it needed some kind of external help in a rather continuous, systematic way, then the institution should have the option to do that.

If it thought that it did not need that help, I certainly would not require it to have it. I would hope that the legislation would provide for a number of alternatives and options for institutions to strengthen themselves.

Mr. **Ford**. Mr. Buchanan.

Mr. **Buchanan**. Thank you, Mr. Chairman.

First of all, let me ask each to respond to the dilemma we will face on the new regulations.

We will receive shortly from HEW, a copy of the final regulations for the strengthening developing institutions program. As you are aware, we have the authority to review, with the option to disapprove those regulations 45 days from the date of their submission.

The proposed regulations have been the cause of considerable concern because the Office of Education has taken the liberty to drastically change the program direction without specific legislative authority.

I wonder if each of you would respond with what your recommendations are to the Congress. Should we approve the regulations and, if so, under what conditions? Or should we disapprove, and risk a delay in the awarding of funds for the fiscal year 1979 grants?

I am not sure that we are faced with a happy choice, and I would like your judgment as to what our action ought to be, and if it is for approval, under what conditions?

Mr. ENGLUND. The delay that would probably be inevitable would create chaos, if they were not approved at this point. I really don't know what it would mean, and I don't know how we would cope with that in terms of having a viable project for the 1970-80 academic year. That is part of the observation.

In response, at least in part, to the first. We remain very concerned about the potential impact of those regulations on the types of institutions we serve. We think that there are a lot of things in the regulations that are very positive, that could in fact contribute to improved management of the program, more predictability, more objectivity, and so forth.

In our case, if there are hard and fast rendering of the 175-point cutoff on the 300-point scale, for example, we would stand to lose about 40 percent of our membership. There seems to be something out of sync when all of a sudden schools that for some number of years have been presumed to be developing institutions and worthy of participation in this kind of program, might by administrative fiat just disappear from the program. That bothers us.

There may be a middle ground, given the fact that apparently there has been a decision to grandfather the eligibility of currently participating institutions, to let those regulations go for a year or two while the Congress works through the reauthorization some mechanism for those schools that are not in the program to continue, if their proposals warrant funding.

Mr. BUCHANAN. By subsequent legislative action, are you saying?

Mr. ENGLUND. By whatever happens in the reauthorization process, whatever is spelled out in the law as reauthorized, and then the regulations that evolve in response to that reauthorized legislation.

Mr. BUCHANAN. Meanwhile, allow the grandfathering to work, and approve the regulations as proposed.

Mr. ENGLUND. That is a very pragmatic cop out with which I am not terribly comfortable, but given the various alternatives, it may be the most functional at this point.

Mr. WITTER. Given the operational problems for institutions which would occur if we went back through a new process under the old regulations, it would be a horrendous disservice, I do believe, to the institutions. I think you would find many institutions, because the grant award simply would not be made by August 1, maybe not even until the fall—I doubt that there are many institutions that could carry programs along, hoping that they might receive a grant. There just would not be the cash flow for those institutions to do that.

I think I would take the pragmatic approach at this point in time, and adopt the new regulations with the grandfathering clause. The need for grandfathering was something that was of concern to a number of different types of institutions. Since the grandfathering has come about, it is going to somewhat alleviate that situation.

At this point in time, I think that it is best to move ahead. Because we are in the process of relooking at the legislation, reauthorizing it, keep the rules and regulations that we have now for the next 2 years, I guess, until new legislation is really in place, and then new rules and regulations might be open again for public debate.

Mr. **Buchanan**. Thank you.

Mr. **Allen**. The experience that we have had this past year with the delayed refunding suggests that the statement regarding chaos is very, very accurate and on target.

People who had been tentatively contracted with to be hired July 1, waiting through July, and some waited through August, but they had to move on after that. Some of the refunding did not occur until October 31 for certain of our institutions. This meant, of course, that while the moneys came in at that time, the institutions were unable to get the competency in personnel needed because the competent people were all assigned or gone to other places to seek employment.

It also meant that where programs had need to be continued, or needed the continuity of effort, that you were already 2 or 3 months behind. Starting with a new person meant that that person had to learn the whole job from stem to stern and also get himself plugged into what that program was about and where it was in its progression toward the achievement of whatever goals were involved.

So whatever can be done that will see to it that the refunding cycle will be on time is the kind of thing we really need to have happen.

Beyond that, I think that some of the presidents of our institutions would be the more appropriate people to talk about just what the guideline content should be, and what changes and adjustments would be needed in order to best serve the institutional needs.

Mr. **Buchanan**. Notwithstanding your last statement, the issue causing the controversy centers on what criteria should be used to determine eligibility. I wonder if any of you have suggestions as to what specific indicators adequately demonstrate institutional strength or lack of it.

For example, are you satisfied with the two criteria—the number of BOEG recipients and the low educational and general expense for a full-time equivalent student? Do any of you have any comment on the criteria?

Mr. **Allen**. I would think that it might not be a bad idea to examine output. The junior college statistics are very impressive from the standpoint of entry into college, but when you look at the fact that over 70 percent of those people never get that certificate, or that 2-year degree, it is another kind of story.

Certainly this does not prepare them for going on to higher education, the second 2 years of senior college, and then on to the professional schools.

So I think that this will need to be looked at very carefully. Again, I go back to what I said earlier. You see, our colleges over the years have received and successfully worked with all those people we showed you who are now scattered across these United States. They came to these institutions; they came to these institutions off the bottom of the reading scale. But the people in those institutions knew what to do, and how to do it, in order to get us prepared so that we could compete and go on to the best graduate schools in this Nation and take their professional degrees.

I think that this needs to be rewarded. I think it is a strength. I think, again, if we behave in the way that we behave toward other kinds of things in our society, that is, where we need a strength or a particular expertise or skill, we go to the institutions, the people, the persons who have demonstrated that strength, then we must do the same in this instance.

I think that there should be a very definite accountability here that relates to how many of these students you are succeeding with. Let me cite a specific example. There is an institution in our group that serves a majority black student population, and it has a school of engineering. This year, I am told, this school of engineering has 50 black engineering students who were pushed out and otherwise caused to feel that they could not make it in schools like, among others, MIT, Southern California at Berkeley, and so forth—students who had the best kinds of scores on the various kinds of entry tests that were required for entry. But the environment in those institutions was not nutritive enough to take care of the social and emotional needs of these students. Hence, with that part of their life disrupted, they were not able to succeed or to be effective in keeping with their capacities.

Now the tragedy of this is that this institution was not able to take all of the 200 or so young people who had been bumped out of majority white institutions, and many of them did not get the opportunity to go to an institution where they would be understood, and as a result may be lost forever to their chosen vocation.

The person involved in making this second opportunity available to those students said that everyone of those young people has the capacity to become an engineer, and that he was sure that the 50 of them he was able to enroll would be engineers.

So I think that, while we have looked at this whole thing from the point of view of the entry, I believe that it is terribly important for us to start looking at whether or not the institutions concerned really get the job done, or whether it is a revolving door.

Mr. ENGLUND. We participated in a small research study 2 or 3 months ago, where we tried to begin the process of identifying alternate criteria. It may be the case that the two proposed criteria ought to be part of a larger package of criteria.

We got far enough with that little bit of research to demonstrate to our satisfaction that there are data available about institutions. NCES gets the data through the annual reports, and those data can be combined in different sorts of ways, potentially to come up with criteria that will sort out developing versus nondeveloping institutions.

Most of the things we were looking at were ratios of one type or another, or they were percentages, percentage of the total institutional income derived from tuition, endowment income per FTE student, and a string of those.

NCES and ACE and others have worked with those tapes in other settings, and we used them and manipulated the data in new kinds of ways to see whether they could sort out developing versus nondeveloping institutions and had some preliminary success.

We had neither the resources nor the time to pursue that to any definitive conclusion, but we got far enough to demonstrate to our satisfaction that it can be done.

Mr. **Witter.** We were somewhat a part of that same research, and I would concur with what Mr. Englund is saying. There probably are some other institutional-type characteristics which could be looked at, and which would differ amongst the different types of institutions.

At one point, we had recommended to the Office of Education that in order to get at this matter of definition and criteria, and because they are dealing mainly with four distinct types of institutions, 2-year private, 2-year public, 4-year private, 4-year public, that have some commonalities and some big differences, that it might be well to call together a task force for each of those four distinct types of institutions, and ask those task forces, made up of representatives from the institutions to tackle the question of what kinds of institutional characteristics might indicate to them a developing institution.

For example, you can go at it from the other end and say, "What is a developed institution," and begin to work backward, if you will. I, myself, at the present time do not have any specific criteria that I would offer. I would like to respond a bit to what Mr. Allen has said.

We, too, in the community and junior colleges, think that we have a product. Although there is a problem with attrition rates, as in every kind of institution, we believe that we have begun to provide access for students who have all kinds of goals and objectives.

It seems to me that the higher education community has set the goal and objective that every student should receive a degree or a certificate. There are many students, I think, who want to partake of some part of higher education, without always getting the degree or the certificate.

This is not to say that degrees are not valuable and that they should not be stressed, but there are all kinds of goals and objectives which you find with people in the communities, and the community and junior colleges are responding to those.

For example, one of the major purposes of community colleges and junior colleges since their inception has been the transfer function. If you successfully help prepare a student for the transfer function, and the student does successfully transfer to another institution, to a 4-year institution, we think that is helping the student to achieve his or her goal or objective.

We think that we have done a very effective job in terms of outcomes of students who are being prepared for occupations and career programs, especially in the allied health fields and in numerous technology fields, which have grown up within the last 10 to 15 years.

So I would respond, yes, we are as concerned with outcomes, I think, as Mr. Allen is. And we think that we have done a good job with those outcomes.

Mr. ALLEN. I would like to follow up on those comments here, by pointing out that my posture on that issue had to with the fact that the tendency is to look at this large number, and look at the black colleges and say: "You are not doing anything, or your institutions are serving a very limited number of students."

I think that what Mr. Witter has suggested here indicates that there probably should be some very specific kinds of definitions of what he has described here, in order that people would not confuse what is going on with those large numbers.

I am all for students going to the community colleges and taking a course, and not taking a certificate, if that is their choice. But I am concerned about the kind of impression that is presented when these figures are talked about.

Mr. BUCHANAN. Of course. I find myself in this situation very often—that it ought to be a case of both, and not the either or. There is a need for the traditionally black institutions. I think that your point is well taken about their unique role, history, and continuing need.

The community and junior colleges are also doing an outstanding job, and they are, by and large, newer institutions. Many of them have been biracial institutions from the time that they began. They do not come under the old system of dual education.

It is just a pity we cannot adequately fund all these institutions, that the Federal Government cannot do more to assist both categories. It is sort of a draconian choice from my point of view.

Mr. Chairman, you have been very patient, and I will not ask further questions. But I hope the committee can find the ways and means to improve title III that are equitable, and we appreciate very much your judgment on this.

Thank you.

Mr. FORD. Thank you, and thank you, Mr. Witter, for your response.

I have not heard somebody representing higher education say what you have just said, Mr. Allen, for 10 years in this town, and I thought that this was all behind us.

I know they are worried at Harvard that the traditional, liberal arts education is going to go by the board because we are letting people pick and choose like customers in a supermarket what they really want to learn. That is a throwback to the irritation over these uppity kids that were on the campuses in the late 1960's, who did not want to study what we had been telling them for 50 years were the relevant subjects.

I am very happy that Mr. Witter came back to what we really think the community and junior college program is about. I used to believe that a junior college was, in fact, a junior college. It was a prep school for a college, for real school, because that was the view in my State 20 years ago. That was the role they thought they had in mind.

The community college movement across this country is something totally different, and it is probably the most exciting new aspect of postsecondary education we have. There is not anything new in caviling about the lack of interest in traditional literature and arts curricula at our major ivory towered institutions. There is something new about having no limit to anyone—based on presumed requirements such as a high school diploma, for example—to be able to participate in a course that enhances one's enjoyment of life, or in fact their livelihood.

The community and junior colleges become more and more responsive to the idea that they have a role to provide an educational experience for its own value, rather than to prepare somebody for a piece of paper. Maybe it is part of the problem that we have in trying to define what it is we are trying to get an institution to develop into.

I am still left without a very good feeling about the assertion by GAO that the two main problems are in trying to track the effectiveness of this program, because we don't know what we started out to do. We do not know what we expect the institutions to do, in other words. Therefore, it is impossible for us to tell whether they have done it well or done it at all. We don't have goals as to what is a developing institution.

They have put it in a simplistic way by saying, how do you know when an institution is developed. I think that it is like a person. It is never developed. There has to be change, or you die. That is when institutions die as well. But that is their accountant's sort of an approach to things.

But we are not going to be able to hold this program together, and we sure are not going to be able to get it funded at any increased level if we cannot answer basic questions like, what it is supposed to do.

Anybody who could write the sort of statements, incidentally, with the jargon that has been used here today, ought to be able to come up with a rationale that we could sell on the floor. [General laughter and applause.]

Mr. FORD. I want to compliment you for an absolutely excellent job, and I appreciate your cooperation with the committee.

Mr. BUCHANAN. Mr. Chairman, may I add one footnote. I probably shouldn't because it is a gratuitous slap at somebody. But in talking about output, you all have problems that you wish you didn't have. If the average elementary school in the United States were to be graded, I am afraid when it comes to output and results, particularly on basic skills, there would be too many that would go somewhere between C-minus and an outright F.

Perhaps we would do well to look at output on the part of our elementary and secondary schools as well.

Mr. FORD. Now we will have the American Association of Community and Junior Colleges, represented by Reginald Wilson, President of the Wayne County Community College, the first institution, I might say, to build a campus in my Congressional District.

Then we will hear from the National Association for Independent Colleges and Universities, represented by Jackson Hall, President of Pikeville College. This, I am sure, does not have anything to do with Mr. Perkins' chairmanship of this committee.

Without objection, the prepared statements of both gentlemen will be placed in the record, and we will score 100 percent victory for the selection of the presenters. We are very happy to see both of you here.

I would like to ask President Wilson to proceed to outline, add to, or comment on the statement from the American Association of Community and Junior Colleges.

[Prepared testimony of Reginald Wilson follows:]

TESTIMONY OF AMERICAN ASSOCIATION OF COMMUNITY AND JUNIOR COLLEGES, BY DR. REGINALD WILSON, PRESIDENT, WAYNE COUNTY (MICHIGAN) COMMUNITY COLLEGE

Mr. Chairman and members of the subcommittee, my name is Reginald Wilson, President of Wayne County (Michigan) Community College. I am here to represent the member institutions of AACJC.

As the Congress starts the process to consider the reauthorization of the Higher Education Act, the 1000 member institutions of AACJC are most aware that you, as the elected representatives of all the people, have many competing priorities to consider. As colleges near the people, we are aware of great concerns with inflation, unemployment, energy and the need to maintain a strong defense, to mention a few. As responsible administrators of institutions that are supported by local and state tax dollars, we hear, as you do, the cries for a balanced budget and many people's expectations to restrain expenditures.

We are also aware that largely due to your stalwart leadership, Chairman Ford and the members of the Subcommittee, at the end of the 95th Congress, MISAA (Middle Income Student Assistance Act) made another 1,000,000 middle-income students eligible for federal financial aid. Since the full impact of this new legislation, and the additional $1.2 billion expenditures, has not been realized, we understand your quandary in approaching reauthorization at this time.

While the higher education community is near a concensus of what might be done, if there were unlimited funds available, it appears that in the next few months this Subcommittee, full Committee, House, Senate and eventually the entire Congress will select the priorities for the utilization of those funds available. Since AACJC has consistently worked for "Universal Opportunity for Postsecondary Education", we sincerely hope your decision will be to provide assistance in a fair and equitable manner for all citizens who can benefit by access to and participation in postsecondary education.

We appreciate the opportunity of appearing here today to comment on Title III of the HEA, the program for Developing Institutions.

I am sure you are familiar with the recent GAO report on Title III and, thus, we will not take your time to review some of the problems, shortcomings and successes of the past.

AACJC has asked for five years to have the criteria for eligibility and selection in the Title III program made more objective, stated clearly—and meticulously followed. We believe the new criteria published by USOE are more objective and clearly stated. Since the program managers, Deputy Commissioner Moye, the Commissioner, and even the Secretary of HEW have taken "heat" on this change, we have confidence the criteria will be more objectively followed. AACJC would like the record to show we believe these new criteria are an improvement, and we extend our appreciation to the leadership of HEW and, in particular, to Dr. Moye, for attempting to clean-up the Title III program.

Mr. Chairman, in the legislative amendments sent to you on February 15 of this year, AACJC proposed the change of one number in Title III. In Sec. 301(b)(2) we requested to change "76" to "65".

Our reasons are as follows:

The Congress in 1965 established that 22 percent (the percentage of undergraduate students enrolled in community and junior colleges) of the appropriation for Title III should be reserved for two-year institutions. The legislation has been amended four times since 1965. In 1968 the "setaside" for two-year colleges was raised to 23 percent. In 1972 the two-year college "setaside" was raised to 24 percent to recognize the increasing percentage of low-income and minority students enrolled in community and junior colleges. Also in 1972 a 1.4 percent "setaside" to increase postsecondary education for Indians was added. This was removed in 1976 in order that the Indian-controlled community colleges would have increased access to Title III funds.

There are five reasons that have historical precedent for now increasing the percentage of Title III funds earmarked by Congress for two-year institutions:

One: Of the total undergraduate enrollment the two-year colleges enroll over 40 percent, with a larger percentage from low-income families and minorities than any sector of higher education.

Two: The two-year colleges enroll over 50 percent of the black, full-time and part-time students, in undergraduate education.

Three: The two-year colleges enroll about 59 percent of the Hispanics enrolled in undergraduate postsecondary education.

Four: The two-year colleges enroll about 70 percent of the American Indian and Alaskan Natives participating in undergraduate postsecondary education.

Five: No segment of higher education is struggling more than the private two-year colleges; thus funds are needed for these institutions that are a vital part of the effort to preserve diversity.

These five points could be the basis for a strong case to double the percentage of appropriations designated for two-year institutions. Realizing the needs of the historically black colleges (12 are two-year) and newer predominately black colleges (a recent Sloan Commission report lists 42 total; 31 or 73 percent are two-year—see Table II attached) a conservative request is to ask that the figure be raised to 35 percent. AACJC will work during the reauthorization period to bring this about, with the support of our member institutions and a number of other groups and organizations, such as the New Jersey Department of Higher Education and the National Hispanic Higher Education Council.

In closing, Mr. Chairman, I will briefly address Table I attached that illustrates why we believe the "setaside" in Title III should be raised.

Thank you, Mr. Chairman, any of us would be willing to respond to questions from the Subcommittee.

TABLE I.—PERCENTAGE OF TOTAL POSTSECONDARY UNDERGRADUATE ENROLLMENT BY RACIAL CHARACTERISTICS, SEX, FULL TIME AND PART TIME, ATTENDING 2-YEAR COLLEGES IN 1976[1]

	Nonresident alien	Black	American Indian or Alaskan Native	Asian	Hispanics	Minority subtotal
Men:						
Full-time	25	40	55	37	48	40
Part-time	74	97	99	99	65	87
Subtotal	34	56	72	57	54	54
Women:						
Full-time	29	38	46	31	46	39
Part-time	79	97	99	95	95	96
Subtotal	43	58	70	53	64	59
All full-time	26	39	50	34	47	40
All part-time	76	97	99	97	79	91
Total	36	58	71	55	59	56

[1] Source: American Association of Community and Junior Colleges 1979 and HEGIS data 1976 and 1977.

TABLE II—*Listing B: Newer Predominantly Black Colleges (NPBC's)*[1]

Public—(Total number equals 26)

4-Year Colleges: Chicago State University (IL); City Univ. of N.Y.—Medgar Evers (NY); College of the Virgin Islands (VI); Federal City College (DC);[2] Harris Teachers College (MO); Washington Technical Institute (DC)[2]

2-Year/Community Colleges/Technical Institutes: Atlanta Junior College (GA); Beaufort Tech. Ed. Center (SC); City Colleges of Chicago: (IL); Kennedy-King; Loop; Malcolm X; Olive-Harvey; Community College of Baltimore (MD); Community College of Philadelphia (PA); Compton College (CA); Cuyahoga Community College-

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[1] Designation as a NPBC is based on total and full-time enrollments being greater than 50 percent black.

[2] As of Fall 1977 became a part of the University of the District of Columbia, which also includes D.C. Teachers College, an HBC.

Metro (OH); Essex County College (NJ); Highland Park Community College (MI); State Community College (IL); Los Angeles Southwest College (CA); Roxbury Community College (MA); St. Louis Community, College—Forest Park (MO); Shelby State Community College [TN); Roanoke Chowan Tech. Institute (NC); Trident Tech. College—Palmer (SC); Wayne County Comm. College (MI).

Private—(Total number equals 16)

4-Year Colleges: American Baptist Theol. Seminary [TN); Daniel H. Williams Univ. (IL); Detroit Institute of Technology (MI); Shaw College at Detroit (MI); Strayer College (DC).

2-Year/Community Colleges/Technical Institutes: Bay College of Maryland (MD); Central YMCA Community College (IL); College for Human Service (NY); Collegiate Institute (NY); Durham College (NC); Interboro Institute (NY); Lewis Business College (MI); Ministerial Institute and College (MS); Nairobi College (CA); Payne Theological Seminary (OH); Taylor Business Institute (NY).

[Prepared testimony of Dr. Daniel B. Crowder follows:]

TESTIMONY OF AMERICAN ASSOCIATION OF COMMUNITY AND JUNIOR COLLEGES, BY DR. DANIEL B. CROWDER, PRESIDENT, WEST VIRGINIA NORTHERN COMMUNITY COLLEGE, CHAIRMAN OF THE AACJC COMMISSION ON GOVERNMENTAL AFFAIRS

Mr. Chairman and members of the subcommittee, my name is Daniel Crowder, President of West Virginia Northern Community College and Chairman of the American Association of Community and Junior Colleges Commission on Governmental Affairs. With my colleagues, whom I will introduce in a moment, we are here to represent the member institutions of AACJC.

As the Congress starts the process to consider the reauthorization of the Higher Education Act, the 1000 member institutions of AACJC are most aware that you, as the elected representatives of all the people, have many competing priorities to consider. As colleges near the people, we are aware of great concerns with inflation, unemployment, energy and the need to maintain a strong defense, to mention a few. As responsible administrators of institutions that are supported by local and state tax dollars, we hear, as you do, the cries for a balanced budget and many people's expectations to restrain expenditures.

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I will ask Dr. Reginald Wilson, no stranger to you, Mr. Chairman, the President of Wayne (Michigan) County Community College, to present the AACJC position. Dr. Wilson's college has received funds from the Title III program.

Dr. WILSON. We appreciate the opportunity of appearing here today to comment on Title III of the HEA, the program for Developing Institutions.

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These five points could be the basis for a strong case to double the percentage of appropriations designated for two-year institutions. Realizing the needs of the historically black colleges (12 are two-year) and newer predominately black colleges (a recent Sloan Commission report lists 42 total; 31 or 73 percent are two-year—see Table II attached) a conservative request is to ask that the figure be raised to 35 percent. AACJC will work during the reauthorization period to bring this about, with the support of our member institutions and a number of other groups and organizations, such as the New Jersey Department of Higher Education and the National Hispanic Higher Education Council.

Dr. **Crowder.** In closing, Mr. Chairman, we would like my other colleague here to briefly address Table I attached that illustrates why we believe the "setaside" in Title III should be raised. He is Pepe Barron, Executive Director of El Congreso National de Asuntos Colegiales. Mr. Barron.

Thank you, Mr. Chairman, any of us would be willing to respond to questions from the Subcommittee.

TABLE I.—PERCENTAGE OF TOTAL POSTSECONDARY UNDERGRADUATE ENROLLMENT BY RACIAL CHARACTERISTICS, SEX, FULL-TIME AND PART-TIME ATTENDING 2-YEAR COLLEGES IN 1976[1]

	Nonresident alien	Black	American Indian or Alaskan Native	Asian	Hispanics	Minority Subtotals
Men:						
Full-time	25	40	55	37	48	40
Part-time	74	97	99	99	65	87
Subtotal	34	56	72	57	54	54
Women:						
Full-time	29	38	46	31	46	39
Part-time	79	97	99	95	95	96
Subtotal	43	58	70	53	64	59
All full-time	26	39	50	34	47	40
All part-time	76	97	99	97	79	91
Total	36	58	71	55	59	56

[1] Source: American Association of Community and Junior Colleges 1979 and HEGIS data 1976 and 1977.

TABLE II—*Listing B: Newer Predominantly Black Colleges (NPBC's)* [1]

Public—(Total number equals 26)

4-Year Colleges: Chicago State University (IL); City Univ. of N.Y.—Medgar Evers (NY); College of the Virgin Islands (VI); Federal City College (DC); [2] Harris Teachers College (MO); Washington Technical Institute (DC).[2]

2-Year/Community Colleges/Technical Institutes: Atlanta Junior College (GA); Beaufort Tech. Ed. Center (SC); City Colleges of Chicago: (IL): Kennedy-King; Loop; Malcolm X; Olive-Harvey; Community College of Baltimore (MD); Community College of Philadelphia (PA); Compton College (CA); Cuyahoga Community College-Metro (OH); Essex County College (NJ); Highland Park Community College (MI); State Community College (IL); Los Angeles Southwest College (CA); Roxbury Community College (MA); St. Louis Community College—Forest Park (MO); Shelby State Community College [TN); Roanoke Chowan Tech. Institute (NC); Trident Tech. College—Palmer (SC); Wayne County Comm. College (MI).

Private—(Total number equals 16)

4-Year Colleges: American Baptist Theol. Seminary [TN); Daniel H. Williams Univ. (IL); Detroit Institute of Technology (MI); Shaw College at Detroit (MI); Strayer College (DC).

2-Year/Community Colleges/Technical Institutes: Bay College of Maryland (MD); Central YMCA Community College (IL); College for Human Service (NY); Collegiate Institute (NY); Durham College (NC); Interboro Institute (NY); Lewis Business College (MI); Ministerial Institute and College (MS); Nairobi College (CA); Payne Theological Seminary (OH); Taylor Business Institute (NY).

STATEMENT OF REGINALD WILSON, PRESIDENT, WAYNE COUNTY (MICHIGAN) COMMUNITY COLLEGE ON BEHALF OF THE AMERICAN ASSOCIATION OF COMMUNITY AND JUNIOR COLLEGES

Mr. WILSON. Thank you, Mr. Chairman and members of the subcommittee.

I am pleased to be here again, to have the opportunity to appear before the Subcommittee on Postsecondary Education. My name is Reginald Wilson, and I am president of Wayne County Community College, headquartered in Detroit, Mich. I am here to represent the member institutions of the American Association of Community and Junior Colleges. Accompanying me are Dr. Daniel B. Crowder, president, West Virginia Northern Community College and chairman of the AACJC Commission on Governmental Affairs, and Mr. Pepe Barron, executive director of El Congreso National de Asuntos Colegiales.

As the Congress starts the process to consider the reauthorization of the Higher Education Act, the 1,000 member institutions of AACJC are most aware that you, as the elected representatives of the people, have many competing priorities to consider. We know, for example, that with your leadership the Congress passed the Middle Income Assistance Act, which made an additional one million middle-income students eligible for $1.2 billion expenditures.

We are aware of the very many concerns that you have relative to inflation, unemployment, and energy. We know that these concerns impact on the reauthorization of all funded programs. As a result, it is necessary to prioritize, and we sincerely hope that your priority will be to provide assistance in a fair and equitable manner for all citizens who can benefit by access to participation in postsecondary education, particularly the increasing numbers in the community colleges, and the need of our society for technically trained people.

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[1] Designation as a NPBC is based on total and full-time enrollments being greater than 50 percent black.

[2] As of Fall 1977 became a part of the University of the District of Columbia, which also includes D.C. Teachers College, an HBC.

We appreciate the opportunity of appearing here today to comment on title III of the Higher Education Act, the program for developing institutions. We are, of course, familiar with the recent GAO report on title III, which was reported here this morning, and made note of the shortcomings and successes of the past.

It is my belief that despite its problems, the program is very much needed—Wayne County Community College, we think, being a particularly excellent example of a school that has benefited significantly from its title III grant. There are many other schools which can be truly said to be developing and struggling to survive.

Community colleges particularly which have received title III grants have, contrary to some impression that you may have gotten, graduated many students at a proportionally high rate, but they need to be recognized as representing a different definition of success in the community college as compared to the 4-year institution.

Success can be defined as upgrading of a skill; defined as participating in community services; defined as senior citizens programs; defined as taking, indeed, one technical course to provide one specific skill, such as proposal writing. Those definitions are equally as successful as the attainment of the graduate degree.

AACJC has asked for 5 years to have the criteria for eligibility and selection in the title III program made more objective, stated clearly, and meticulously followed. We know from the GAO report that that has not been achieved in the past. We believe that the new criteria published by the Office of Education is more objective and clearly stated.

One, it is a measurable criteria, and as a consequence can be determined more clearly whether its objectives have been achieved. We also know that 52 percent of the BEOG grants that are awarded to the 2-year colleges go to minority schools. As a consequence, we do see some correlation between the criteria and the institutional characteristics.

Deputy Commissioner Moye and the Secretary of HEW have taken some criticism as a consequence of this change, but we have confidence that the criteria will be more objectively followed, and we feel that it has the capability of being more objectively instituted.

AACJC would like the record to show that we believe these new criteria are a marked improvement, and we extend our appreciation to the leadership of HEW, and particularly to Dr. Moye for improving the title III guidelines and criteria.

Mr. Chairman, in the legislative amendments sent to you on February 15 of this year, AACJC proposed a change of one number in title III. In section 301(b)(2) we requested to change "76" to "65", and our reasons were as follows:

In 1965, Congress established a 22 percent set-aside for 2-year schools, because at that time that represented the percentage of undergraduate students enrolled in community and junior colleges. The legislation has been amended four times since 1965, and in 1968 the set-aside was raised to 23 percent. In 1972, the set-aside was raised to 24 percent, where it has remained, and it is a ceiling.

We recognize that the percentage of low-income and minority students enrolled in community and junior colleges is increasing. Also in 1972, 1.4 set-aside for postsecondary education for Indians was added, but the set-aside was removed in order that those schools could have increased access to title III funds.

We know that the need is increasing in the junior and community college arena because 50 percent of the title III applications come from 2-year schools. But with the 24 percent set-aside in funds, this need is not being met when that ceiling is reached.

We have five reasons that have historical precedent for now increasing the percentage of title III funds earmarked by Congress for 2-year institutions:

One, of the total undergraduate enrollment, the 2-year colleges enroll over 40 percent, with a larger percentage from low-income and minorities than any other sector of higher education.

Two, the 2-year colleges enroll over 50 percent of the black full-time and part-time students in undergraduate education.

Three, the 2-year colleges enroll about 59 percent of the Hispanics enrolled in undergraduate postsecondary education.

Four, the 2-year colleges enroll about 70 percent of the American Indian and Alaskan Natives participating in undergraduate postsecondary education.

Five, no segment of higher education is struggling more than the private 2-year colleges; thus funds are needed for these institutions that are a vital part of the effort to preserve diversity.

These five points present a strong case for substantially increasing the percentage for 2-year institutions. However, we realize the needs of the historically black colleges, 12 of which are 2-year, and the newer predominantly black colleges.

As a consequence, we are requesting a conservative increase to the figure of 35 percent rather than the actual figure, or the true number of undergraduate students in community colleges. As a corollary with that, we strongly support a recommendation to double the authorization for all title III programs so that the increase in this funding will match the need that has been demonstrated.

AACJC will work during the reauthorization period to bring this about, with the support of our member institutions and a number of other groups and organizations, such as the American Council on Education, the New Jersey Department of Higher Education, the National Hispanic Higher Education Council, and a total of eight associations that are working in cooperation with AACJC.

In closing, Mr. Chairman, I would address you to table I of our testimony, which illustrates why we believe the set-aside in title III should be raised, and just to point out two figures which I have alluded to before.

Table I shows that of the total number of postsecondary undergraduate students, by race, 58 percent of black students are attending 2-year colleges. For the same postsecondary undergraduate enrollment, a total of 59 percent of Hispanics are attending 2-year colleges.

Dr. Crowder, Mr. Barron, and myself are ready to respond to any questions from the subcommittee.

Thank you, Mr. Chairman.

Mr. Ford. Thank you very much. I am pleased to have you here. We are very proud of your efforts, and what has been happening to

Wayne County Community College after many, many years of frustration and disappointments that preceded its establishment.

Mr. WILSON. Thank you, Mr. Chairman.

Mr. FORD. With respect to the new regulations for determining eligibility for title III money, it would appear, on the basis of the expected correlation between the characteristics that they are going to use in the formula and the characteristics of the student population, that the community and junior colleges should be dealt with more generously than they have been in the past, in terms of their share of the pie.

Is that a fair assumption?

Mr. WILSON. That is correct, Mr. Chairman.

I took notes while the presenter from the National Council for Educational Statistics was making her presentation, and she did mention that using their statistical analysis, the only difference that existed was when they viewed the 2-year colleges alone. In that analysis, the eligibility of the 2-year colleges rose to 35 percent of the ratings. That coincides exactly with our request for the increase in eligibility.

Mr. FORD. That is going to cause people to ask the question of whether or not a continued set-aside for community and junior colleges is justified.

Mr. WILSON. In the sense that some of the criteria that are used to evaluate the higher education sector, there are distinct differences between the mission and role of the community and junior colleges and that of the 4-year institution. I think if you do not have a set-aside for junior and community colleges and they are thrown in the pot using the same criteria for all postsecondary institutions, the likelihood that we will get the proportionate funding that the 2-year colleges are due, I think would be in danger. That seems to me to be the problem.

Mr. FORD. The way the set aside is now in the law, it is really a cap rather than a guarantee. It has been administered in a way that treats it as a guarantee, even though the law very clearly does not guarantee the present 24 percent. It merely says that you will not get more than 24 percent.

So presumably, if we are going to have a set aside, it ought to become a set aside rather than what it is in the law now, if you are fearful that the future administration would not deal fairly with the institutions.

I am frankly distressed that there is an unofficial set aside for traditionally black colleges of any figure determined on a percentage basis, without anybody yet being able to tell us what it is that we expect those colleges to do with the money, what their goal is, what it is that we want to help those institutions do.

I can understand the idea of a set aside because I helped it when it came in, and it was because prior to the set aside language, we had a very genuine problem that you were being ignored, in effect. But I suppose every group has some claim to a set aside, and I would hope that your organization will take a very good look at the impact of those regulations and consider whether or not we are not better to avoid a fight over whether it is 24 or 35, or 15, or whatever, and address ourselves, really, to the question of whether the formula, developed in effect by the regulations, is fair and equitable.

If it turns out to be fair and equitable from your point of view, you might want to reconsider whether or not you want us to fight the battle of a statutory set aside, because not everyone is going to be willing to support that approach during the reauthorization.

One final question, and I had meant to call you about this. I asked the president of Wayne State University the other day how many illegal aliens he had in his school, because we have some crazy people running around this town, including some of my liberal friends, who are talking about the "Brown hordes that are coming in from Mexico, ruining us."

I have a strong suspicion that you have a few illegal aliens from across that river in your institution. I ask you this because we know that people come across from Canada, from all countries of origin, but now work in our factories and use the facilities of Detroit because it is the big city that is nearest to about a third of the population of the country.

We have a recommendation that has come to this committee from the Select Committee on Population, suggesting that we impose some sort of a requirement that any institution receiving Federal money will determine the number of illegal aliens being served by the educational product. So we, then, can reimburse the States or the localities, or whoever else is contributing, for the cost of those illegal aliens.

What they seem to have overlooked is that we don't identify people as citizens and noncitizens in any of our public school systems across the country. It would immediately create a situation where you had to do that.

What would happen if you were to announce that everybody had to come in and prove their citizenship at Wayne County Community College?

Mr. **Wilson**. I think that it would be a pretty onerous burden on our institution. I am always hesitant to have educational institutions be in the business of being policemen. I think that is part of the problem that is national in scope relative to, for example, the collection of secondary liability claims by the Veterans' Administration.

Colleges all across the country have been put in trouble, including our own, because we are being asked to collect the Government's money. I think just adding this as another burden is going to increase enormously the costs of processing students into the educational process.

It seems to me that if the student, whether he or she is an illegal alien and comes to us under those circumstances, and pays their tuition, then it is not our responsibility to determine their country of origin, and whether in fact they are a citizen.

I think the Government should and ought to have other ways of identifying persons who are illegally in the country.

Mr. **Ford**. Until I saw this report to this committee from the Select Committee on Population, I really was not very alarmed about the people who are running around saying that we are being inundated by illegal aliens, and our country was going to fall apart as a result of it. But if you look at the makeup of that committee, you will find some pretty serious and heretofore socially liberal members of this body, seriously urging that we identify the nationality of children of all ages in school.

One of the immediate prospects, I suppose, is that it would reduce the student population because all the illegal aliens would pull their kids out of school. I am having some difficulty figuring out how that will benefit American society to have people who are both illegal and illiterate at the same time.

However, some very serious people have subscribed to that, and it is now a formal request for us to respond to, and maybe it is part of the reason, I might suggest, that that committee failed by eight votes to be reconstituted the other day. But they have the gall to come to members of this committee, including me, and ask me to change my vote and put them back in existence.

The fact is that we are seriously considering, around this place, that kind of thinking. I hope that your organization, which is one of the primary types of institutions that is publicly financed and very sensitive, of course, not only to Federal legislators, but to State and local legislators, would keep an eye on those recommendations that are coming in with respect to education.

When I look at San Diego, how many community colleges do you have down there?

Mr. WILSON. About 10. About five in the city, and five outside.

Mr. FORD. We would put them all out of business, I suppose.

Mr. WILSON. I am not sure, Mr. Chairman.

Mr. FORD. Mr. Buchanan?

Mr. BUCHANAN. Thank you, Mr. Chairman.

I have a couple of questions that I want to ask of each of the panel members, so I will wait, if that is all right.

Mr. WILSON. Mr. Chairman, may I add one bit of information to the question that you asked earlier about the AACJC position on set asides.

In terms of the regulations as they are currently spelled out, if the half-cost limit in BEOG grants were applied to the community colleges, it would really be a burden. It would kill us, literally.

There is currently a bias in the present regulations in terms of preparing for graduate work that would also kill a need set aside. Those two provisions are in the current regulations. That is, the half-cost, and if we were folded into that and that were made applicable to us, it would be a great burden.

I just wanted to place that before you, for your consideration.

Mr. FORD. I am not sure what the regulation means when it indicates that you compare your institutions one with another, or with similar types of institutions, whether that leaves the half-cost consideration as an irrelevant factor, or a determining factor in institutional eligibility.

Mr. WILSON. Again, that would be determined by what ingredients were left in the criteria for eligibility. What I am suggesting, if that is in the criteria after the two emerge and no set aside is available, these are the kinds of provisions that are currently in the regulations that would be detrimental to us.

Mr. FORD. Let me ask another question. You have an institution serving a population that is very clearly and very heavily populated by low-income citizens, some of them are low income because of

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families in which they live, and others are senior citizens living on very limited incomes. But the fact is that you serve a lot of low-income people.

Over a period of 10 years, what is the real correlation between the number of low-income people you have attending Wayne County Community College and the need for assistance as a developing institution?

I have the suspicion that what HEW has come up here with is a formula that does not recognize that you need a lot of money now while you are growing, and you will not need it later. But is there any indication that 10 years from now, you will have fewer poor people attending Wayne County Community College, and more rich people? It is not likely, is it?

Mr. WILSON. I think you are right. I think we recognize the ambiguity in determining what is a developing institution in terms of institutional characteristics and student characteristics. I think they are related. But I agree with you that as an institution such as ours develops, certain kinds of needs will diminish, primarily institutional needs. That is, in fact, the way that we are viewing the title III grant.

We take it literally as assistance in developing, and we have already built in a fund replacement strategy so that at the end of the 4-year period, we will have completely replaced all of the current operational programs under title III that will be continued with our own staff and our general funds.

But in response to the other portion of your question, will we have fewer poor people attending Wayne County Community College, the likelihood is not.

Mr. FORD. Is it likely that the proportion of wealth, or whatever way poor is measured from time to time, is likely to change in the next decade? You are still going to be serving the kind of population needs that you have now.

Mr. WILSON. That is correct.

Mr. FORD. In thinking about your institution, HEW's formula now starts to look very silly to me, because it suggests that a developed institution will no longer serve the low-income population.

Mr. WILSON. That is only one part of the criteria, when you are talking about the proportion of BEOG grants, though.

Mr. FORD. Right.

Mr. WILSON. The other one in terms of expenditures per student, I think, would be reflected in what I am talking about in terms of the institution reaching a certain level. So I think that the two together still do make sense.

Mr. FORD. Of course, if we get the proportion of BEOG grants plus what this committee is trying to do with independent students, that will make a difference that you want.

Mr. WILSON. Yes.

Mr. FORD. Presumably, you have a lot of the type of students that would benefit most directly on the independent student changes.

Mr. WILSON. Yes.

Mr. FORD. Thank you.

President Jackson Hall.

[Prepared statement of Jackson Hall follows:]

STATEMENT OF JACKSON O. HALL, PRESIDENT OF PIKEVILLE COLLEGE

I am Jackson O. Hall, President of Pikeville College, an independent college of slightly more than 600 students in the mountains of eastern Kentucky. I am here today to discuss the reauthorization of the Developing Institutions program on behalf of the 200 members of the Council for the Advancement of Small Colleges, and the 800 members of the National Association of Independent Colleges and Universities, whose president, John Phillips is accompanying me here today. I am particularly pleased to testify in support of this very important program to Pikeville College and colleges like it.

This committee, when it created Title III in 1965, had a truly great idea. The entire Congress, through its appropriations committees, has concurred each year since then with generous appropriations—full funding up to the authorization level, in fact, for the last eight years. And, undoubtedly, the best years lie ahead!

Title III, Strengthening Developing Institutions, has endured withering criticisms. How many of these complaints have you heard? That it's a program strictly for black colleges, that it's aimed at small private colleges that should be closed down anyway, or that it's really a program for public, two-year community colleges? Or, that no Federal program is more poorly administered, that no college has ever graduated from the program, and that no one has defined, neither the Congress nor the U.S. Office of Education, just what is a developing institution. And, of course, that it's too political.

It may be that many of the above criticisms actually are a listing of its strengths. It is a program for all types of colleges, it has enjoyed wide support in the Congress, and its grantee colleges have used relatively small amounts of money, for the most part, to improve themselves.

In his 1979 State of the Union Message, the President said he would propose reauthorization of our omnibus higher education legislation so "we can help enormously to ensure the continuation of strong higher education institutions and equal educational opportunities for all students." In his discussion of the needs of education, the President referred with equal emphasis to the needs of Title III and the creation of a cabinet-level Department of Education, thus demonstrating his support for the program.

Secretary Califano enlarged on the President's message in his testimony last week before this subcommittee when he said:

> Finally a program that is not often considered in the context of student assistance efforts is the Title III Developing Institutions program. While this important legislation serves many different purposes, it has one very significant function that deserves mention in this context. In my view this program must continue to offer strong assistance to institutions that provide access to students who would otherwise not have the opportunity to attend college.
>
> Whether for reasons of enrollment policies, school tradition, or geographical location these institutions play a vital role in providing full access to qualified students. Institutions that provide such a service—such as the historically black colleges—and that have insufficient resources to maintain high quality efforts have a legitimate claim upon Federal attention.

In response to a subcommittee member's inquiry following his formal testimony, Secretary Califano supported an increase in the authorization for the program.

Indeed, Secretary Califano's testimony stressed the need to support all types of higher education institutions and encouraged Congressional recognition of the need for support of research universities to replenish outdated facilities and continue producing young Ph.D. scholars, as well as the need to help institutions like Pikeville College. This major thrust of the Secretary's testimony is one which independent higher education can support fully, on the premise that continuation and expansion of programs such as Title III provide reassurance that higher education can and will maintain its capacity to provide a wide diversity of educational programs to serve the increasingly diverse learning needs of American society.

The Secretary's "capacity-building" theme was more fully developed in the Public Policy Statement for 1979 which was approved by independent college presidents at NAICU's recent annual meeting. This statement cites:

> * * * an indispensable need for some direct federal support of higher education—to balance and complement the primary federal focus on indirect support through student assistance and tax policies that encourage charitable contributions—especially categorical/institutional assistance which helps higher educational institutions in building and maintaining their capacity to meet the learning needs of increasingly diverse student populations which are gaining financial accessibility to

their chosen higher educational study programs largely through the expansion of coverage provided by need-based federal student assistance.

To serve and support this indispensable need for "capacity-building" assistance, NAICU proposes that the currently-authorized categorical programs which support construction and renovation of academic facilities, student special services, developing institutions, community services, continuing education, and lifelong learning should be coordinated—together with the proposed urban university grant program—in a comprehensive federal "capacity-building" initiative.

On Title III specifically, NAICU has proposed that the Developing Institutions program should be expanded to an authorization of $200 million annually, and (as suggested in USOE's recently-proposed regulations), that the system of separate grants to basic and advanced developing institutions should be replaced by a single program of grants to eligible institutions. Further, NAICU has suggested that "the new legislation should acknowledge the services and contributions being made by a wide variety of struggling higher educational institutions, including those serving high percentages of students receiving need-based federal assistance." And finally, NAICU has proposed that "the legislation should clearly define developing institutions in terms of institutional characteristics which bespeak their developing status, as well as their student population characteristics."

The reason independent higher education can be so enthusiastic about the Developing Institutions program is that it has worked, and worked well at many of our institutions.

Nearly 700 colleges and universities have been served since the inception of the program. About 500 institutions have applied for support this year. These institutions might be considered to be out of the mainstream, whether they are on a busy boulevard in a downtown metropolitan area where people are too busy to stop, even if there were a parking place, or whether they are on a backroad where traffic is infrequent.

But according to the testimony you have heard earlier this morning from consortia directors, and what you know about colleges and universities in your own districts, Title III grantees have improved themselves considerably through defined planning for the future, better management, enriched curricula and revitalized student services. Title III has played a role in keeping this nation's higher educational resources diverse, strong, and up-to-date. In view of the rate of change in our society, the need for this federal support role will not diminish; indeed, in Secretary Califano's words, it will continue "to have a legitimate claim on federal attention."

Title III should be continued and expanded. Given the strong support for the program deomonstrated by this committee, the appropriations committees, the Administration and the widespread interest of the entire Congress demonstrated recently over a proposed change in regulations, the authorization limit should be increased substantially so the program could seek its own funding level. Independent higher education is encouraged by the almost unanimous support for such an increase, as demonstrated by the legislative recommendations sent the Chairman of this Subcommittee at his request, increases which range to totals of $200 million to $250 million in most instances. There are few administrative or political problems in the present program that would not be eased if additional worthy institutions could be served in the future.

Eligibility criteria should be broad and balanced. In effect, a college or university which can demonstrate it is weak in one or more of its management or service areas should be eligible. Competition should also be open, without set-asides for any class of institutions but with built-in adjustments for regional or state differences in cost of living and pricing policies for higher education. The enrollment of disadvantaged students should be a key factor in determining institutional eligibility, recognizing that deprivation of culture and economic well-being hold no inherent bias of their own.

Increased funding would assure greater equity in participation rates among the more than 500 applicants in the developing institutions program for what are likely to be no more than 200 awards. Any selection process which would use only two or three criteria would likely produce such varying results over short periods of time as to make determining eligibility something akin to a lottery. In such a process, a handful of students, enrolled or not, particularly of one priority group, could make the difference between an institution being eligible or ineligible to compete for funding. This program is far too important to be subjected to such a computerized tinkering process.

Congress has additional ways, already in place, to help both disadvantaged students and the institutions they attend in substantial numbers. These include not only the need based student aid programs, but also the special services to the disadvantaged (TRIO) programs and the authorization to provide cost-of-education allowances based on the numbers of federally-aided students.

The Title III authority in the Higher Education Act is, indeed, sufficiently broad to encompass the institutional needs and community services of worthy universities in major urban areas, as well as in rural areas, but these needs also could be addressed quite properly through expansion of the Title I authority.

The Title III program has helped many independent colleges to succeed. The few colleges that do die don't expire overnight. They die by inches, over many years, like great oak trees. Title III, by providing a little assistance a little at a time, has helped keep these colleges strong.

Through Title III, colleges today plan in greater depth over longer periods of time, improve their management and strengthen their student services, while enriching their curricula. Their graduates enter service-oriented professions, and for the most part, and they reach the top of their professions and business activities out of all proportion to their numbers. This committee and the Congress can be proud of that record. And I am happy to commend this evidence of creative use of limited resources for the future strength of all of higher education.

President Phillips and I would be happy to respond to any questions you may have for us.

STATEMENT OF JACKSON O. HALL, PRESIDENT, PIKEVILLE COLLEGE, ON BEHALF OF NATIONAL ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES, AND THE COUNCIL FOR THE ADVANCEMENT OF SMALL COLLEGES, ACCOMPANIED BY JOHN PHILLIPS, PRESIDENT, NAICU

Mr. HALL. Thank you very much, Mr. Chairman. My name is Jackson O. Hall. I am the president of Pikeville College in Pikeville, Ky. I appreciate your having lingered this long to hear the complete series of presentations from the panels. We have a statement that has been submitted. I will make my additional comments brief.

I think it is important, particularly as I have listened to the presentations made this morning, that I give you a perspective about an institution that is benefiting directly from the title III program. It is possibly quite different from some of the institutions that have been represented, and I wish to speak to some of the concerns that were entered by the General Accounting Office.

Pikeville College is located deep in the mountains of Appalachia. It is the only 4-year institution within a radius of 100 miles. Coal and poverty are our neighbors. As best as I can determine, within the intent of the title III legislation, we are a model of a developing institution.

We certainly have a desire to make a contribution to higher education; we do struggle for survival; and clearly we find ourselves isolated from the mainstream of academic life because of the topography of eastern Kentucky.

We were designated as a developing institution in 1977–78, as well as again this year under the new criteria. We are presently working under the first year of a title III grant, and we have applied for a 3-year continuation grant under the current program guidelines.

I consider the funding of this program pivotal to a school like Pikeville College. I am sure there are many institutions, among CASC (the Council for the Advancement of Small Colleges) and NAICU (the National Association of Independent Colleges and Universities) membership, which I represent today, that find it necessary to regroup their institutions, to plan sensibly for the future, and at the same time remain committed to the delivery of educational programs and services to the people of their respective region.

It may be of interest to you that with the passage of the Middle Income Assistance Act, we estimate that between 90 and 95 percent of the students at Pikeville College will fall within the eligibility framework of the basic grant program next year.

The primary thrust of our title III grant is long-range planning. We are very deeply engaged in all facets of institution planning, finance, curriculum development, facilities administration, admissions, fund raising, and student affairs.

Ours is a very comprehensive, long-range planning program. The title III grant also enables us to staff a management information system effort which will involve the data collection essential to decisionmaking and to this planning process.

The grant also enables us to employ teaching fellows, which will provide selected members of our faculty with release time, so that they can become deeply engaged in the development of a new core curriculum for the college.

This grant is critical to Pikeville College. It will enable us to bring stability to the institution, and it will enable us, I believe, to cope with the changes which are evident and constant within the higher education milieu. But I share Dr. Wilson's objective, and I want to state this quite clearly to you. It is our intention to graduate from this program.

My vision for title III at Pikeville College is to enable us to restructure the institution, to more effectively use our resources, and at the same time both affirmatively and conscientiously plan for the day when we will no longer need this support.

It seems to me that to do other than that would contradict my perceptions of the legislative intent of this program, and at the same time, I think it is imperative that we not allow ourselves to become dependent on Federal support. To do so would compromise the integrity of the institution as an independent private college.

I am in complete agreement with the General Accounting Office that we must be accountable, that the dollars we spend in the implementation of this title III program be consistent with the proposal and that our record keeping conform to the audit requirements of the Federal Government. I think it is pivotal that we demonstrate the correlation between the use of the funds for institutional improvement within the parameters of our grant proposal.

I applaud the vision of the Congress in establishing this title III program, because I know that over the years, it has helped many colleges, both public and private, 2-year and 4-year institutions, to regain their posture and their stability. I consider particularly important the support that has been provided to the private sector, because I have a very strong conviction that it is absolutely pivotal to the future of higher education that we maintain an effective balance between both the private and the public sectors.

I feel that higher education, as we know it today, in terms of the quality of the academic programs and the services that we render, must stand on two sturdy legs. To carry that analogy one step further, if you were to in any measure—not you necessarily as a committee, but if the Congress or if our society were to allow one of those legs to become shortened or to become separated from the body of higher education, I think you would cripple the entire system. I think the end result would be far less than we enjoy today, or that you would want.

I would like to share a personal opinion with you. To me, personally, one of the most wasteful exploits that I have observed in my years in higher education has been the growing and intense competition that seems to be developing between public and private institutions.

I think that the administration and the faculty of both institutions, in their efforts to fight for survival, get lost in FTE's, get lost in the competition for the philanthropic dollar, get lost in the "I-can-do-it-better-than-you" syndrome. I think that what happens in this process is that the individual institutions lose sight of the people that they are serving.

I feel that this is something that must be ameliorated.

I am pleased to tell you that in Kentucky, some of these things are happening. At Pikeville College, we presently have two consortium agreements with public institutions. Being as isolated as we are, and serving a very well-defined population of people, we have been able to work with Morehead State University in bringing to Pikeville College a graduate program, which enables individuals who live in our region to attend Morehead State University classes in Pikeville College facilities.

We have a similar consortium agreement with Eastern Kentucky University, which enables us to provide a nursing program for service in our region.

Most impressive to me is the philosophy that undergirds this entire process. It is that the individual institutions share in the notion that their primary responsibility is to serve the people, and to see that the educational services that are so essential to the needs of people, be delivered where those people live and work.

If any of you have traveled through the mountains of eastern Kentucky, you know that it is impossible for some to commute as far as 100 miles to attend an institution which might have a particular program that meets their needs or serves their interests. These consortia represent a beacon of light of educational service in eastern Kentucky.

I would like to leave you with two recommendations. First, and I know that you do understand that the colleges all across this Nation vary extensively, in reviewing the criteria for eligibility under the title III program, what applies to one institution may simply not apply to another. I think that we have heard good evidence of this this morning, as well as from Dr. Wilson this afternoon.

I respectfully recommend that you broaden the criteria, and I hope that you will reflect institutional concerns as well as the current student related concerns, in the final development of this list.

I think that it would be worth noting to you that in my judgment the educational and general expenses per FTE as one criterion in this formula, to the extent that it presently is involved in the equation, has a reverse and negative effect. As developing institutions, and because we serve a disadvantaged population of young people, we must of necessity provide services that go well beyond what the traditional institution would need to provide.

We must be able to provide hands-on experience. We must be able to provide developmental programs, all of which cost additional dollars. As we look at the notion of serving a disadvantaged population, it stands to reason that we are going to have a higher E. & G. per FTE ratio than a more traditional institution that does not necessarily deal with disadvantaged students.

So I think that one criteria has a significantly negative impact on many institutions that, in my judgment, should be considered developing, but who find themselves all of a sudden ineligible because of this reverse effect.

The second recommendation that I would like to leave with you and I am not sure that this is necessarily pertinent to the title III legislation as such, but I feel very strongly about it, is that somehow the Congress provide incentives for institutions that are Federal grant recipients to encourage them to develop working relationships with other institutions.

To me one of the healthiest experiences I have had since I have been in Kentucky, and I came here 4 years ago from Cornell University, is to see the public and private sectors in Kentucky effectively working together.

It seems to me that if we are, as a body of institutions, both public and private, to fulfill our mission, we must use existing facilities as a conduit for the delivery of educational services and not as a hurdle that one must get over, or knock down, in order to deliver those services.

Higher education must sustain both the public and the private sectors, but higher education must not be allowed to forget its heritage, to forget its roots, and to forget its primary mission. I consider that primary mission to improve society, to improve the quality of life, to improve the human condition, and to serve people.

Thank you very much.

Mr. **Ford**. Thank you.

I listened to the testimony, and I was left with the impression that in this application and grant process that goes on with title III, there is no point at which somebody looks at the application, and goes behind the statistical evidence on the face of it to determine whether what somebody wants to do with the money is worthwhile or not. Is that your experience with it, or do you have to justify your proposed use?

Mr. **Hall**. I feel that is the impression that was left by the gentlemen from the GAO. As I mentioned, we are in our first year of a title III grant, and I have every intention of demonstrating that we have, indeed, followed the objectives of our title III proposal through the process of both internal and external evaluation.

Mr. **Ford**. Didn't your grant application have to have very detailed assertions about what you were going to do?

Mr. **Hall**. Absolutely; there is a roadmap, and I find it very difficult to understand why they find it impossible to measure the outcomes, or measure the progress toward the objectives if, in fact, the applications that were submitted by these . . . institutions contained, as did ours, very, very explicit objectives which we intend to reach, and to move forward.

Mr. FORD. I think that what happened there is that we had a little confusion in terms, because as I have been listening to you, what I think GAO was telling us this morning is that they did not find that the objectives were consistent with the way they read the statute.

I was misunderstanding him this morning in thinking that they were saying that they did not find that there were any objectives in the process.

It has occurred to me, as I have tried to work through this formula, that what we have really been talking about is money that we give to the Secretary of HEW for the purpose of aiding developing institutions.

He, in turn, develops, through regulations, criteria for eligibility to apply for that money. Then at some stage, he takes from all of those eligible applicants some applications and gives them the money, and some don't get the money.

Now, at that stage, isn't the use to which the money is going to be put, the purpose that you intend to carry out, a deciding factor? Having established your eligibility through the number of low income students, the BEOG recipients, won't you still have to justify your application as against other applications in order to get the money?

Mr. HALL. Absolutely. It is put through an intensive screening process with a number of field readers. The applications are graded, and the awards are distributed not only within the framework of the intent of title III, but also within existing dollars that they have to appropriate.

But we are very, very explicit in the goals that we have set forth.

I might add, parenthetically, that I went out into the lobby after Mr. Ahart spoke to you this morning, because I felt that he was either misunderstanding what some institutions are doing, or had a somewhat distorted picture. I invited him to come to Pikeville College, or invited a member of his staff to come to Pikeville College, because I would like to have him look at what we are doing. I would like to have him see, not only the process of evaluating our program effort toward the objectives, but also to look at the financial or fiscal controls that we have built in, in terms of accountability of the expenditure of funds.

I felt that it was important that he have an opportunity to see an institution that is, in my judgment, responsibly trying to carry out the content of its proposal, because I think that this proposal is very valid in terms of the needs of Pikeville College.

I think that it would be unethical and dishonest for us not to spend those funds and not to make demonstrable progress toward meeting those objectives during this particular year. I invited him to come down.

Mr. FORD. Thank you.

We will have the Office of Education tomorrow. I became concerned during some of the prior testimony about what appeared to me to be a goal in some people's mind for developing institutions to become separate and equal. I thought that we had come around that corner sometime ago.

I have seen that phenomenon in my own State. If you put in new boilers in at Michigan State, Michigan has got to have new boilers next year, whether they need them or not. Michigan State has been griping and grumping for years because they did not have a medical school, and now they have two medical schools. I don't know whether Michigan is going to open a second medical school or not.

We have seen this kind of process go on back and forth. I suppose that Michigan State would say that it is a poor developing institution because it does not have a law school. But it does have sort of an unofficial law school, and I would not be surprised if pretty soon they did have a law school. They have one down the street that is operating sort of independently.

This is the tendency that I have seen over the years with institutions that are relatively close to each other, and they play off the political business.

What is there in this process that keeps an institution, in the name of developing, from replicating an already existing educational opportunity in an institution close by?

Is that a part of the process as you have experienced it? What in the process of your getting your grant application approved, other than the assumption of some local knowledge, assures us that you were not coming in here with objectives for developing your institution to replicate or duplicate something already in existence just down the road?

Mr. **Hall**. To begin with, and I have to speak strictly from the context of Pikeville College, we are the only 4-year institution within 100 miles. So we don't have an institution, per se, down the road.

I have felt from the beginning that this was to be a short-term relationship with the government under title III, but that there were certain needs that we had, the principal of which was the development of very comprehensive, long-range planning program, that gets into every facet of the institution.

One of the facets would be core curriculum, and that we would be developing not only the core curriculum, but subsequent curricular offerings that would be responsive to the needs of the people in the region which we serve.

I would be totally opposed to developing a program at Pikeville College, if there were another institution down the road that provided a duplicate of what was being proposed.

Mr. **Ford**. I understand that this is where you come from on this thing as a professional educator. But one of the things that we said back in 1965 is that we wanted to promote developing institutions that were needed to fulfill a need to develop and fill out the educational programs available to people.

It is not always apparent by institutions that compete with each other, and it is going to be more competitive now.

My question is, What is built into this system. Maybe you are not the proper person to ask this question, but what is built into this system that keeps somebody from conceptualizing it as something that develops an institution without regard to this overall consideration about whether that institution is really needed?

I hate to hear the word "traditional" used to justify anything, but particularly an education, because the worse sins of the educational system are based on tradition. Traditionally, we would not have a title IX, we would keep those women in their place. That is traditional education, and who wants to go back to traditions of that kind?

I just heard a little while ago "traditional," and I hear that word all the time. We did something once for some very bad reason, in my opinion, but as a result of that we have a tradition and we stay with the tradition.

I am a little bit worried that there is nothing in this legislation at this point that reassures Congress that the original intent of helping someone develop an institutional response to an identifiable educational need is being met, except in a very subjective way by whoever the reader is over there.

Mr. **Hall**. I think you have to have some reliance, of course, on the background and the selection of the field readers. Certainly, they are very pivotal to the process of making a determination as to which grants should get funded. I would only assume that the Office of Education, in its selection of the field readers, as well as its own staff at the Office of Education who are also within the screening process, bring to this effort an insight, a knowledge and an awareness of the basic objectives of the title III program.

To me, the language that is in the original legislation is very clear. It talks about institutions that are isolated from the main stream, institutions that are struggling for survival, institutions that have the capability and the potential of making a significant contribution to the educational system of the Nation, whether it be regional or national.

It seems to me that if an institution qualifies within the broad context of that statement, that the merit or lack of merit of its own proposal in presenting a set of objectives, rests with that institution, and then rests with the ability of the field reader and the OE staff to effectively screen out those that should not be funded.

Mr. **Ford**. When this committee was in Puerto Rico last spring, holding hearings on higher education issues, we had conversations with people from the State University down there about the deep concern they have over the unmet need for veterinarian educational opportunities for their students.

They have very limited access by way of contracts with the mainland schools by two seats in South Carolina, for example. We are trying to work out something for them, make an arrangement with Michigan State which is very proud of its school of veterinary science, but where only one of 30 applicants are accepted every year because of the tremendous overcrowding. It is really hard to share something that is really that scarce.

Would it make sense to make it possible for a school like that to take this amount of money, and buy the kind of talent they need to plan for and look for the resources that they are going to need to ultimately develop a school of veterinary science for themselves in the institution, letting them make up their own mind that this is their goal, and not pay for instituting the school necessarily, you understand, but give them all of the assistance that they need to develop the potential for it, without making them enter into any kind of a big brother contract with another institution, or with any outside decisionmaking force.

Mr. HALL. I don't mean to monopolize this conversation. But I would respond to that question by saying that when you get to something that is as highly specialized as veterinary medicine, and I deeply recognize the problem that you have stated, it is a nationwide problem, it seems to me that it falls beyond the parameters of title III in terms of developing institutions.

I would not say, for example, that——

Mr. FORD. Let me see if I can give you the additional dimension. Just sending Puerto Ricans to your normal run-of-the-mill veterinary schools here is not going to do it, because the problems that they are trying to deal with, in a very primitive agricultural setting by standards of most of our States, are quite different.

The old home remedies are still required down there. The chickens are still running loose. Most of our kids at Michigan State have never seen a live chicken, unless it has been 5 feet off the ground in an electric cage of some kind with controlled feeding and all the rest of it. This is not the kind of environment that those folks are trying to deal with.

So they have identified in their mind a need for that kind of education within their whole university system. What I am talking about is whether they ought to be able to come here and get a grant to buy the talent to put on their faculty that they need to go out and develop the response to that need.

As it stands now, what they can do is join up with somebody else, who can advise them. But we will not let them come directly in with that kind of a clear-cut goal. Maybe it is not a good example, but it is a technical school.

Mr. HALL. I understand the problem.

Mr. FORD. But whatever the educational need that they have developed, and clearly they are isolated, and they have all the characteristics, why is it necessary for them to get hooked up with somebody else to solve their problem, when what they really need is a little bit of help to be able to hire some professional people of their own who could work full time on their problem.

Mr. HALL. I misunderstood the context. I thought that you were talking about institutions here developing the programs to accommodate that problem.

You have described a real societal need. I can imagine, particularly in large animal medicine, that there would be some significant problems and significant needs in Puerto Rico. It seems to me that they might, indeed, if they are unable on their own to develop, to plan, and eventually staff a veterinary school, deserve some startup resources from title III. Considering them in that context as a developing institution, this might not be inappropriate.

Mr. FORD. Thank you very much.

Mr. BUCHANAN. Thank you, Mr. Chairman.

Dr. Hall, in your prepared statement, you point out that NAICU has proposed:

> The legislation should clearly define developing institutions in terms of institutional characteristics which bespeak their developing status as well as their student population characteristics.

Then in your response to the committee's letter, NAICU has suggested that the language should read:

> To carry out a program of special assistance to strengthen the academic quality of a wide variety of developing institutions which have made, and are making major contributions of educational services to society, including but not limited to the service of disproportionate or large numbers of students receiving need-based Federal assistance, and have the desire and potential to increase their contributions substantially, but which are struggling for survival, and because of the special nature of past services are isolated from the main currents of academic life.

While it constitutes a change from the language that is now in the Act, I wonder if you could suggest to us—because this has really been one of the problems—specific institutional characteristics. You indicate that we should define developing institutions in terms of institutional characteristics which bespeak their developing status.

As you are aware, one of the real problems is getting specific enough to know of what we are talking when we talk about developing institutions. So I would appreciate the response of both panelists, and your friends at the table, as to more specific institutional characteristics which we might include in this legislation.

Mr. HALL. I will take a quick pass at that, and then I would like John Phillips to respond, and possibly these gentlemen would like to say something also.

I feel that there are some criteria that relate to the institutional profile that could be considered. One is certainly the level of endowment of an institution. There are three, as you know, major sources of income for private institutions: endowment income, tuition, and gift support.

An institution with a very small endowment finds itself, especially if it is working with disadvantaged students, and by definition needs to keep its tuition rates at a reasonable or low level, in a very disproportionate, unfavorable and unhealthy position regarding the need to raise gift support.

Pikeville College happens to fall into that classification. So I would think that as you look at an institution, and you define it as an institution struggling for survival, one criteria for measurement of that struggle would be a measure of the size of the endowment of that institution per FTE.

Another criteria that you might wish to consider would be the tuition level, and the degree to which that institution, by the nature of its environment, is unable to charge even up to 40 percent of the cost of the actual education. I think in the independent sector across the country, tuition accounts for 65 percent of the income. At Pikeville College, it is nearer to 35 percent. This might be another factor.

Another criteria which would go beyond the institution, but would have a direct impact on the institution, would be the cost of living index within that particular region.

There are situations where the cost of living index becomes a factor that is translated into salaries that are paid to people, which, then, in terms of an institutional setting, gets translated into E. & G. expenditures. You are then back into that same negative profile, using that E and G per FTE criteria.

So I think that this might be a further area that could warrant some examination. Those would be three factors that you might wish to consider. I would like John Phillips to address the question also.

Mr. PHILLIPS. Mr. Buchanan, I think that one of the comments that President Hall made previously bears repeating, and that is, we should try, in thinking about eligibility criteria, to keep from putting a straitjacket on the very institutions whose diversity we are trying to protect through the legislation that you are here considering.

I would certainly second the notion that any criteria that are established have to be extremely sensitive to state pricing policies in education, to economic conditions in various areas of the country. One of the most discouraging and I think worrisome features of the proposed regulations upon which you have made comment is that the same standard of BEOG-dollars per FTE applied in Alabama is really quite different when you get to New Hampshire, or E and G expenditures per FTE student.

So I think that whatever is done, we have to be extremely sensitive to the enormous variation of conditions by State, by economic area, and by type of institution, and so on. Among some of the specific institutional characteristics, which we have tried to test, at least tentatively, I would include the following just for your consideration, and then I would make a general observation.

It seems to me that one can be E and G expenditures per FTE student, as suggested, if it were adjusted to some of the factors that President Hall and I have mentioned.

Another sort of subunit within that might be faculty compensation per FTE student. Another might be institutional student aid per FTE student. How heavily is the institution having to turn around, and take its resources, and put them to work to help those students meet the requirements of paying for their education.

I think the one that President Hall mentioned is a critical one in the private sector, but of course could not be applied equally in the public sector, namely, endowment earnings per FTE, or even total endowment per FTE student.

You might even, since one of the major objectives of the title III program has been to improve student services, try to aggregate the student services dollars per FTE student, and in some way build that into the criteria, or even aggregate total management and planning expenditures per FTE student.

I think the factor that President Hall mentioned of E and G, the percentage of the total educational and general budget, which is financed from tuition fees, that would be a very critical factor in assessing the relative level of development among the private colleges, or independent colleges and universities.

On a more general level, it strikes me that we have here a kind of the latest reiteration of an old and increasingly difficult problem, and that is that Congress tries to set out some broad objectives, goals, the sense of direction for the program, and then the agency who is responsible tries to do the criteria, and when the criteria come back in ways that have unanticipated consequences, as we have learned in the last few months, then the Congress finds itself in the regulation writing business.

I would hope that a couple of things might be done to resolve this matter in a way which would not leave you with those kinds of draconian choices that you described earlier.

First of all, I think that Mr. Witter from the AACTion Consortium suggested a little earlier on today that we might just simply say to the institutions that are out there:

> Let's organize you into some task forces, to come up with some specifics and in effect require us to do our homework on this detailed issue in very much the same way you have required us to do our homework on general legislative language.

Second, one of the saddest parts of this whole experience since last November has been either the reluctance, unwillingness, or inability of the Office of Education to provide the data upon which we could, then, begin to develop some alternatives for your consideration. I think that this has simply got to stop.

In order for us to respond to the regulations, to provide you and other members of this committee and members on the Senate side as well with evidence about what the anticipated effect of these regulations is going to be, we had to go and develop our own computer data bank, put 30,000 data elements into the bank, and then try to figure out what the results would be if these regulations were applied. Now, that is senseless.

If the Office of Education is going to propose regulations to establish criteria, they have a responsibility to assess the impact of those regulations before they are ever proposed, and to share their data base and their model, and all of their information, with all of the institutions and agencies that are impacted by those regulations.

I surely would hope that we could, perhaps through the leadership of this committee, constitute a cooperative effort between the Office of Education and the affected institutions, to come up with some of the specific criteria on institutional characteristics which you need in order to do your job.

Thank you.

Mr. Buchanan. I know the value of computers in our society, and I don't know how we would operate without them, but one of the problems is that if you do not have a common data base, then you have a computer runoff that says different things to different sources. It really does make it confusing.

If we could have an agreed data base at the time the regulations go from there, it certainly would be simpler. You have to sort of reinvent the wheel.

Mr. Phillips. It turned out, for example, that they were proposing to base their percentile rankings on basic grant to revenues per FTE student on the 1976-77 reports, which it turned out were not available yet. So they could not even tell us what the impact would be.

So we had to go back the year previous, and do kind of a projection as to what the impact might be, the results of which were, as you know, that a fair number, a very large number of currently participating institutions were in serious jeopardy of being eliminated from the program. They did not even have the data in hand upon which they said they were going to base those regulations.

Mr. **Buchanan**. I would like to give Dr. Wilson a chance to respond to the basic question, if you have any further comment on the eligibility criteria, or definition?

Mr. **Wilson**. Yes, Mr. Buchanan. I think that the presentation of our testimony indicated that we felt that the use of the FTE costs criteria, and the BEOG amounts, were a significant improvement over the current formula.

I think that the comments of Dr. Hall and Dr. Phillips indicate some of the dilemmas and quandaries that you get into as you expand the criteria base, and try to identify those segments that are most sensitive to what is a developing institution.

Certainly, since we represent the public and the private sector here, we find that there is some dissonance between those kinds of criteria which might be meaningful. For example, the question of endowment is one that has no meaning for the public sector, to any meaningful degree. On the other hand, we see things such as support programs, with some kind of arithmetic relationship to the size of the student body as being a very cogent kind of thing.

The possession of a comprehensive management model, and an information system which manages your data in long-range planning for your academic and student services, and capital outlay development are certainly meaningful kinds of criteria in our institutions.

I guess I just have some concern that as you broaden that criteria base, what kind of ingredients do you put in that either penalize or close out a significant number of schools. That is a dilemma.

Mr. **Buchanan**. Dr. Phillips, are you saying that the Office of Education themselves did not know what the impact of those regulations would be?

Mr. **Phillips**. Those reports on the basic grant operations for 1976-77 were not available. They had not been completed when they proposed the new regulations.

Mr. **Buchanan**. So at the time the regulations were proposed, they did not know how many or which institutions would be adversely affected?

Mr. **Phillips**. Not so far as we could tell. They have not been responsive to our questions again, and again.

Mr. Buchanan, I must apologize to you, but President Hall has a 3 o'clock plane that he has to catch, and with apologies I am going to ask that he be excused, so that he can get there. unless you have further questions.

Mr. **Buchanan**. Only one more thing, and that can be answered in one word. Under present circumstances, as I asked the previous panel, should we proceed with approval of the proposed regulations and then look for legislative change with the schools being grandfathered in, or should we reject them?

Mr. **Hall**. I would recommend, personally, that you go ahead as it was suggested, as long as the institutions that presently are eligible under title III be included in the grandfather clause. I would urge you to move in that direction.

Mr. **Buchanan**. Good luck on your plane.

Mr. **Hall**. Going to Pikeville, is not the easiest experience. I can get as close as Lexington, but then I have a 3-hour drive into Pikeville.

I appreciate your hearing the testimony from me, and I thank you very much for staying this long.

Mr. **BUCHANAN**. Did you have further comments, Dr. Wilson?

Mr. **WILSON**. No, Mr. Buchanan. Thank you.

Mr. **FORD**. Thank you very much, Dr. Wilson.

With that we will stand in recess until 9:30 tomorrow morning.

[Whereupon, at 2:35 p.m., the subcommittee recessed, to reconvene at 9:30 a.m., Thursday, March 29, 1979.]

[Material submitted for inclusion in the record follows:]

COUNCIL OF DEVELOPING INSTITUTIONS,
Trenton, N.J., April 6, 1979.

Hon. WILLIAM FORD,
Chairman, Postsecondary Education, Subcommittee on Education and, Labor Committee, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN FORD: The Council of Developing Institutions appreciates the opportunity provided by the Postsecondary Education Subcommittee on Education and Labor to present written testimony on the Title III program during the reauthorization hearings on the Higher Education Act legislation.

In the last twelve years, the achievements of the Strengthening Developing Institutions Program have been numerous and impressive; however, the program still has much to accomplish if it is to meet its educational goals. There are various issues which merit thoughtful consideration and analysis, and it is these issues that the Council will address.

PROGRAM FOCUS

Important to the dialogue about the Title III program is the philosophical question of whom the program is designed to serve: is it to serve the historically black colleges, or is it to serve students from minority and/or low-income backgrounds?

Historically, Title III has provided financial assistance without which many black institutions would not have survived. It is imperative that this assistance continue, not only for the preservation and dissemination of the black heritage but also to provide educational opportunities for students who prefer to attend black institutions. There are, however, black students whose career goals cannot be met by an historically black institution. To pursue their goals, some black students must attend postsecondary institutions which are not predominantly black. Moreover, there are other black students who, for financial reasons, cannot matriculate at historically black institutions; these students must attend local colleges. By and large, the black students who attend local colleges attend community colleges.

Contemporary community colleges are educational institutions which are comprehensive, community-based, flexible and provide extremely diversified curricula. The mix of students in community colleges is unusually rich. The average age is 24–29. Community colleges enroll 42 percent of all college students from low-income families, 50 percent of all black undergraduates, and 76 percent of all Hispanics. Community colleges have provided both the equal educational opportunity and the "equal access" which are the cornerstones of American education.

If the Title III funds are targeted for predominantly black institutions or if the present distribution of funds (i.e., 76 percent for four-year institutions, and 24 percent for two-year institutions) remains unchanged, inequity will occur. Blacks and other minority students would be denied the support which is provided indirectly through the colleges. To resolve this inequity, the Council recommends that the program focus on serving low-income students, and, so that there will be a more equitable distribution, that the percentage directed to community colleges be raised from 24 percent to 35 percent.

GRANT SIZE

A developing institution requires long-term assistance if it is to strengthen its academic program and administrative capacity. As a consequence, the concept of small grantees is inadequate; the history of BIDP bears this inadequacy out. Nevertheless, to avoid having colleges view the grants as sustaining grants rather than as grants for strengthening the institution, a grantee could receive a series of sequential grants, the size and duration of which would be determined by the individual circumstances, with each grant based on reasonable accomplishment of the objectives stated in the prior grant. Grantees would know that Title III assistance has a long-term potential but that dedicated attention must be given to defining and achieving objectives which strengthen the institution if that potential is to be realized. The Council recommends that new legislation include provision for multi-year grants which contain sufficient funding to allow the institution to move into the mainstream of education if it has the capability of meeting the objectives targeted for that move.

STRENGTHENING ADMINISTRATIVE CAPACITY

In its recent report, the GAO recommended that Title III grantees develop comprehensive development plans and that the Commissioner of Education ensure that projects funded at individual institutions be necessary, compatible and consistent with long-range development goals. HEW concurred with these recommendations.

The Council takes no exception to the approach HEW intends. However, it is imprudent to develop a plan unless it is carried out and the results are fed back into a continuing planning process. Strengthening an academic program requires an integrated, coordinated system of planning, management, and evaluation. The Title III institutions which have strengthened themselves the most are those which were required by OE to design and institute a system described as follows: "A PME (planning, management, and evaluation) system * * * is defined as a set of orderly related processes, procedures, and organizational structures for decision making . . . It is, therefore, a system with which the institutional planning is logically translated into specific objectives (planning); policy and operating decisions are aimed at achieving the stated objectives (management); performance is weighed against the intended outcomes in the plans (evaluation); and the resultant information is fed back to the planning and management functions."

The GAO recommendation, the HEW response, and the Title III regulations cited above relate to legislative authorization for the use of Title III funds to strengthen the administrative capacity of the institution. However, the term "administrative capacity" is vague, thus permitting the Commissioner, on the one hand, to require the development of PME systems but, on the other hand, to diminish the emphasis. There would be merit in revising the legislation to define "administrative capacity" consistent with the OE wording above.

CONSORTIA

Consortial arrangements have provided Title III grantees with assistance which otherwise could not have been obtained. A large number of specifically prepared workshops were provided on many topics which are vital to developing institutions. The consortia provided means for information-sharing through newsletters, informal meetings and workshops, and subsequent direct contacts between new affinity group acquaintances; valuable change through technology transfer occurred as a result. Finally, the consortia provided on-campus technical assistance upon request.

From the viewpoint of meeting developmental training objectives, the workshops alone made the consortia cost-effective. The total cost of having each grantee fund its own curriculum development workshop would have far exceeded the cost of a single consortium-provided workshop. Further, without the consortia, many schools may not have identified or weighed their training needs.

Although the consortia have been effective, improvements can be made. Greater efficiency is perhaps possible with smaller group consortia organized regionally to reduce travel costs and provide more extensive assistance to the member institutions. The Council hopes that the new legislation will continue to provide for consortia which have specific areas of program interest on a regional base.

The Council believes that assisting agencies have a role in ensuring the strengthening intended by Title III. However, safeguards could be incorporated to ensure that any agency selected has the experience, resources, and commitment required to perform its role well. In that context, there is a need to ensure that an agency has the capacity and resources to perform the tasks. If, for example, a large state university has the experience, resources, and commitment which enables it to effectively serve 15 Title III grantees, then it should be allowed to do so. The modifications to the legislation that need to be developed should not focus on an agency's role, but rather on its ability to provide the specific services requested.

PROGRAM ADMINISTRATION

The number, size, duration and complexity of Title III grants pose a program administrative challenge of considerable magnitude. OE staff is responsible for a variety of implicit oversight functions, including monitoring of and assisting with each activity that comprises a grantee's institutional program. For these functions to be well-performed, the Council recommends that the size of OE's program staff be increased.

It should be stressed that no small part of Title III's success is due to the efforts and the commitment of OE staff. BIDP and AIDP have been incorporated into a single Title III program, thus resulting in an even greater challenge for current staff. The Council is confident that, based on their previous efforts, OE personnel will continue to meet this new challenge. During his brief tenure with Title III, Dr. Edward Brantley has shown the capacity and the willingness to meet all challenges. He has provided outstanding direction, and the compelling leadership that is required in the program. His insight into the needs of Title III institutions should not go unrecognized.

The Council appreciates this opportunity to provide its input to the reauthorization hearings. The Council's sixty-eight member institutions believe that the Title III program has been a beneficial force in strengthening developing institutions. With input from diverse sources, it can become an even more potent force in American education.

Very truly yours,

JOHN P. HANLEY, *Chairperson.*

A WORKING PAPER—LEGISLATIVE TESTIMONY IN SUPPORT OF INSTITUTIONAL INTERRELIANCE AMONG AMERICAN COLLEGES AND UNIVERSITIES IN ACADEMIC CONSORTIA BY TIMOTHY C. ADAMS, CO-CHAIRMAN

ABSTRACT

KEY POINTS—

1. The guideline which should pervade all federally funded higher education programs is the value and efficacy of institutional interreliance.

2. Since educational services to a sophisticated public are growing more diverse, and since economy and efficiency will become even more important in the decade ahead, institutional interreliance is becoming a necessity.

3. In Title III especially, cooperative arrangements should be emphasized. This means interreliance, not merely a channel for funding individual institutions to spend as see fit.

4. The end result of federal funding and the measure for when an institution benefits from federal support is not when it is strong enough to become insular, but rather when it is interreliant enough to provide strong institutional programs and services in the context of other institutions within its community.

MISSION—

The mission of the academic consortium is:

To ensure the sustained efficiency and effectiveness of the educational institution members by implementing programs, projects and services developed through cooperative planning, shared resources, and maintained by a formal consortium organization.

BENEFITS AND PROGRAMS—

1. Provide new and improved educational program opportunities through the better use of existing faculty, facilities, and services:

a. For new and existing clients

b. Through coordinated, shared or joined curricular or service programs

2. Achieve economic advantages through higher levels of benefit at lower proportional cost.

3. Strengthen self-reliance through freely given allegiance; encourage grass-roots self-direction; facilitate interreliance among faculty and staff.

4. Advance sense of community which is active and integrated among institutions which share a common purpose and people to be served.

5. Improve quality and visibility of institutional programs and services.

6. Draw useful institutional comparisons and contrasts regarding:

(a) Curricular offerings.

(d) Facilities

(b) Faculty specialties.

(e) Student services

(c) Instructional support services.

(f) Administrative services.

7. Challenge institutional insularity and minimize its effects.

8. Enhance cultural life of the area or region in educational service.

Consortium programs—

1. Joint and/or Coordinated Instructional Programs.

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2. Faculty: Joint appointment, fellowships, shared faculty, adjunct
3. Instructional Support Systems: A.V., Computer Services, Library, etc.
4. Student Services: Placement, Health, Admissions, Counseling.
5. Administrative Support Services: Management Development, Research, and Operations Planning.
6. Staff Development: Training and Seminars
7. Planning, research and evaluation services as a part of action programs.
8. Community services: Needs analysis and program services.

RECOMMENDATIONS—

The CIL Task Force on Federal Relations recommends that the Congress affirms the legitimate place of the academic consortium in higher education and that legitimate academic consortia be made eligible for direct funding by all programs in future federally funded higher education programs. Such funds should provide for the management of interinstitutional relationships as well as programs.

INTRODUCTION—

The following working paper was prepared to support testimony before the House of Representatives Sub-Committee on Post-Secondary Education as it considers the reauthorization of the programs administered by the Office of Education as funded by the Higher Education Act of 1965. The purpose of the paper is to highlight the legitimate place of the academic consortium in higher education and to strongly recommend that legitimate academic consortia be made eligible for direct funding by all programs under the new higher education legislation, as well as in future legislative actions. Such funds should provide for the management of interinstitutional relationships as well as programs.

It should be made clear at the outset that many, but not all, federal programs have funded cooperative arrangements. Those who so loosely defined such cooperative arrangements, however, have fostered a growth of clinic arrangements which have assumed to compete directly with the many solid academic consortia having judiciously and efficiently used scarce federal dollars to effectively help member institutions avoid unnecessary duplication and to cooperatively develop a wide range of needed programs and services.

Federal assistance will continue to play an important part in the future of higher education. Such assistance, nevertheless, must be allocated wisely. Each dollar must have a wide and cumulative impact. The academic consortium is the most efficient and effective vehicle through which individual institutions are strengthened.

The academic consortium is not just another cooperative arrangement: It has a rich tradition and a well defined purpose. The consortium speaks to a community of colleges as against a neighborly association of institutions. The remainder of the paper, therefore, will define the academic consortium its programs and its mission and goals in order to clearly outline the type of cooperative arrangement best suited to translate federal funds into quality educational programs. Future regulations should look carefully at the cooperative arrangements requesting funds. In turn, federal agencies should look dimly at arrangements which do not meet the criteria established by the growing number of legitimate consortia, criteria which will be outlined at the close of these remarks.

BACKGROUND—

The academic consortia is a type of interinstitutional arrangement formed by colleges and universities to collectively deal with common issues and problems. Of the thousands of interactive arrangements among the nation's 3,000 colleges and universities, only 124 substantial arrangements involving 1,560 institutions can be defined as formal academic consortia.

Academic consortia are defined as formal multi-purpose interinstitutional groups performing administrative functions, formalizing interaction, negotiating program goals, and developing functional specializations pursuant to those goals. In simple terms, academic consortia are voluntary formal organizations with three or more members institutions, having multi-academic programs, administered by at least one full-time professional, and requiring an annual monetary contribution or other tangible evidence of long-term commitment. In structural terms consortia are confederations of faculty and administrative committees, governed by boards of directors (usually the member presidents), and served by professional administrators.

A review of interinstitutional arrangements reveals that academic consortia are indeed different from other academic associations such as international education cooperatives, national higher education associations, accrediting agencies and associations, state associations of private colleges and universities, interstate compacts, state systems, special purpose consortia, and bilateral compacts.

Steady growth has been the hallmark of the consortium movement since the inception of the Claremont cluster colleges in 1925. Considering only formal multipurpose consortia, a clear majority of the 124 now in existence have been formed in the past 13 years. While there no longer is the bandwagon formation of consortia that was experienced in the late sixties and early seventies, their total number quietly continued to inch upward (an increase of 116 to 124 over the last 18 months). Clearly, the increasing number of consortia constitutes a notable phenomenon in American higher education. It flies directly in the face of institutional isolation and independence.

Two doctrines form the basis for consortial arrangements:

1. Consortia enrich and diversify academic programs
2. Consortium programming is cost-effective.

The net results of the drive for academic enrichment and economic efficiency can be best illustrated through the following lists of benefits and programs:

A. Consortium benefits—

1. Provide new and improved educational program opportunities through the better use of existing faculty, facilities, and services—
   (a) For new and existing clients.
   (b) Through coordinated, shared or joined curricular or service programs.
2. Achieve economic advantages through higher levels of benefit at lower proportional cost.
3. Strengthen self-reliance through freely given allegiance; encourage grass-roots self-direction; facilitate interreliance among faculty and staff.
4. Advance sense of community which is active and integrated among institutions which share a common purpose and people to be served.
5. Improve quality and visibility of institutional programs and services.
6. Draw useful institutional comparisons and contrasts regarding:
   (a) Curricular offerings.
   (b) Faculty specialties.
   (c) Instructional support services.
   (d) Facilities.
   (e) Student services.
   (f) Administrative services.
7. Challenge institutional insularity and minimize its effects.
8. Enhance cultural life of the area or region in educational service.

B. Consortium programs—

1. Joint and/or Coordinated Instructional Programs.
2. Faculty: Joint appointment, fellowships, shared faculty, adjunct.
3. Instructional Support Systems: A.V., Computer Services, Library, etc.
4. Student Services: Placement, Health, Admissions, Counseling
5. Administrative Support Services: Management Development, Research, and Operations Planning.
6. Staff Development: Training and Seminars
7. Planning, research and evaluation services as a part of action programs
8. Community service: needs analysis and program services.

MISSION AND GOALS

To amplify the introduction, it would be beneficial to look closely at the mission and goals of the academic consortium.

A formal cooperative arrangement between academic institutions (an academic consortium) has a distinct mission and purpose directly related to the needs of its member institutions. A consortium means purposeful cooperation. A consortium is not simply an organization of two or more colleges, rather an organization of programs and projects in areas of common interest to its member colleges. The organization is thus pliable, able to be molded according to changing needs and shifting circumstances. The direction of the consortium is determined by the governing board comprised of institutional and societal representatives. The collective needs are determined by the committees and councils which make up the organization proper. In the final analysis, however, the consortium is an organization—an organization which requires enrichment even as it attempts to enrich its members. True, the consortium is a separate organization and quite different in format from its member colleges, but as an embodiment of their collective needs, the consortium cannot conceptually be considered apart from its host institutions. Indeed, the consortium is as strong as the collective commitment; the organization can succeed if it remains true to its unique mission. Indeed, it is becoming increasingly apparent that strong interreliant networks produce strong institutions in much the same way as strong, positive personal relationships produce strong individuals.

It is important to understand the relation between college and consortium. The consortium makes no decisions concerning the operation and direction of the member institutions. Instead, the consortium supports the operation and direction of the member institutions in areas where the collective resources of the institutions can best be brought to bear in solving common problems. The intent of the consortium is thus to creatively, efficiently, and effectively pool institutional talents and resources to meet common needs, to accomplish what the institutions alone are unable to achieve.

In some cases, the term consortium has been equated with an office, a title, or a separate independent organizational entity. In reality, however, the consortium is simply the collective programs and projects of two or more colleges. The consortium organization itself is only the structure and framework which lends coherence and order to the cooperative arrangement. The organization, of course, is a necessary element in the cooperative arrangement, but it is primarily advisory and administrative in function. It helps maintain a cooperative perspective while implementing carefully screened and planned activities which together strengthen the ability of the member institutions to carry out their respective missions and goals. This supportive role of the academic consortium arrangement defines its mission.

Mission—

The mission of the academic consortium is:

To ensure the sustained efficiency and effectiveness of the educational institution members by implementing programs, projects and services developed through cooperative planning, shared resources, and maintained by a formal consortium organization.

Goals—

As a result of time and experience, three specific goals guide the academic consortium in the attainment of its mission. These goals are:

1. Continuity.
2. Maturation.
3. Strength.

1. Continuity.—The goal of continuity refers to the ability of the consortium to maintain a stable organizational structure, and to guarantee the delivery of consortium services implemented to strengthen the member institutions. Continuity thus refers more to activities within the consortium organization itself than to programs which are consortium-based but institutionally oriented. In other words, continuity is achieved through a stable central administration, a well organized system of academic and administrative committees, an effective planning and governance function, and consortium services directly controlled by the consortium itself. Without a stable central organization, cooperative programs and projects would be in constant jeopardy. Programs may come and go, but the consortium organization must maintain operational continuity to provide the foundation for long-range planning, and the opportunity for the colleges to design that critical mix of programs which together attain its mission.

2. Maturation.—The goal of maturation refers to an organizational openness to change and redirection. In these terms, maturation does not mean bigger is better. On the contrary, maturation is a function of a dynamic and flexible organization. A consortium remains dynamic by continually seeking solutions to problems; a consortium remains flexible by continually accommodating programs in seeking solutions to those problems. Further, maturation depends on the elimination of activities which would act as program retardants. Maturation is therefore a continual cycle of events which weeds out superfluous programs as it plants others which meet contemporary needs.

Through the goal of maturation, the consortium engages in such activities as program revision, addition, and innovation. Further, it refers to cooperation between other educational systems and community organizations. Last it refers to activities which promote the cooperative solution of institutional issues and problems in an interinstitutional context.

3. Strength.—The goal of strength has a double meaning; that the consortium has adequate resources, and that the consortium is able to project itself into its environment. Through the goal of strength, the consortium engages in fund development, public relations, and long-range planning. Without the acquisition of funds to underwrite old programs and develop new ones, without the projection of a clear-cut organizational image, and without a solid set of long-range plans, the consortium could not develop the necessary organizational strength and character to pursue and successfully attain its mission.

In summary, all consortium activities are the logical extensions of the three goals of continuity, maturation, and strength. These goals in turn underscore the consortium mission and bring added stability and strength to the educational and administrative components of the member colleges.

SUMMARY

The purpose of the previous remarks was to highlight the legitimate place of the academic consortium in higher education and to strongly recommend that legitimate academic consortia be made eligible for direct funding by all programs under the new higher education legislation. It has been shown that consortia are tasked with the wise and efficient use of funds in order to enrich the programs and services of their member institutions.

It is one thing to use assistance wisely and with well defined objectives in mind, but it is quite another to do it with large scale efficiency. The academic consortium provides such efficiency of fund utilization.

Cooperation is the key. The concept of consortium in the past has been abused by loose application and definition. Too often the practice of "cooperation" never entered into would-be consortial arrangements. The extent of the cooperative endeavor was merely to funnel money to individual institutions for their own use alone. This is not the intent of the academic consortium. Ideally, the member colleges and universities in the consortium plan and execute cooperative programs with funding only to be sought after the fact. Nevertheless some cooperative arrangements have come into being which have not lived up to that goal.

On the other hand, the majority of consortia which have remained steadfast to the interreliant consortium model have continued to make refinements and are working to ensure genuine cooperation. Based on those refinements, guidelines for consortia should be affirmed which would benefit both colleges in need of mutual enrichment and the government in husbanding limited resources.

RECOMMENDATIONS

In order to ensure that federal funds earmarked for the support of academic consortia be spent most effectively, the following eligibility criteria are hereby recommended:

1. The Consortium must be voluntary, i.e., not the product of a government mandate.
2. The Consortium must have a legal identity, i.e., incorporated as a non-profit organization.
3. The Consortium must be administered by full-time professional staff.
4. The Consortium must include a workable number of institutions, i.e., comprised of no less than two (2) and no more than twenty (20) members.
5. The Consortium must coordinate at least three (3) interinstitutional programs, joint services or administrative arrangements among all or between various subsets of the member institutions.
6. The members must evidence financial commitment to the Consortium through ongoing "hard dollar" support in the form of annual contributions.

The level of support for eligible academic consortium would be determined by the extent to which the cooperative arrangement shares: [1]

1. Joint and/or coordinated instructional programs.
2. Joint faculty appointments and/or faculty exchange programs.
3. Student exchange programs and student co-curricular activities.
4. Instructional support systems, e.g., computer services, library and audio/visual holdings, and so forth.
5. Student services programs.
6. Administrative support services, e.g., operations planning, institutional research, accounting and payroll functions, registration procedures, and so forth.
7. Faculty and staff development programs.
8. Community service program.
9. Facilities utilization.

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[1] Clearly, the wide range of consortium configurations will emphasize program sharing in some, but not others, of the above activities. Furthermore, evidence of cooperation must be documented as fully as possible, utilizing geographic, economic, or demographic relationship whenever possible.

CONCLUSION

To illustrate the previous remarks, what happens when the consortium concept is applied to a particular federal program? Take the Strengthening Developing Institutions Program [Title III, HEA 1965), for example. The goal of the SDIP is to assist institutions which have the potential to make a substantial contribution to the higher education resources of the nation but which are struggling for survival and isolated from the main currents of academic life. It is clear that institutions isolated from the academic mainstream are in need of revitalizing relationships. Cooperative arrangements are the means through which such revitalization occurs. Cooperative arrangements in consortia must therefore be the future hallmark of Title III legislation. Furthermore, the consortium should be the legitimate agent of interinstitutional development, directly eligible and responsible for the sustained continuity, maturation and strength of the cooperative compact.

**NORTHERN PLAINS CONSORTIUM
FOR EDUCATION, INC.**
JAMESTOWN COLLEGE, JAMESTOWN, ND 58401 (701) [illegible]

Executive Director: Donald T. Cannon
Computer Learning Services: William J. Lardy, Director
Leslie R. Tanner, Assoc. Director
Administrative Secretary: Arlene M. Randall

April 24, 1979

Mr. Tom Wolanin
Subcommittee Chairman
House of Representatives Annex
Washington, D.C. 20515

Dear Mr. Wolanin:

On April 17, 1979, I visited your office and talked at length with your secretary. Specifically, our visiting group talked about the appropriations and reauthorization of the Higher Education Act, more specifically, Title III. From reading the original legislation, G.A.O. report, and subsequent testimony by the Office of Education and the higher education associations I am not convinced that the case for Title III was effectively presented; certainly, the case for small consortia was not represented. The purpose of my letter is to present the case in brief and succinct terms.

What is a developing institution?

1. It is an institution "struggling for survival and cut off from the mainstream of academic life."
2. It is likely to have little, if any, systematic resource development effort.
3. It is likely to have low faculty salaries in comparison with national norms.
4. It is likely to have fewer faculty with doctoral degrees than more developed colleges. (Our consortium of six colleges ranges from a low of 15% at one college to 44% at the top for another college.)
5. It is likely to have no systematic faculty development program to improve faculty. (More developed institutions have sabbatical leave programs; provisions for attending national meetings in academic field; provisions to allow professors to present research papers; and systematic faculty review and improvement programs.)
6. It is likely to have little, if any, full time student development services. (Examples are Career Counseling, Student Placement, Study Skills Assistance.)
7. It is likely to have little, if any, regular institutional research effort which is critically needed for decisions. (It should know at all times its retention rate, attrition rate, placement rate, follow-up status image with students and employers.)
8. It may be geographically or culturally isolated from main currents of academic life.

It may have developed one or more of these elements with Title III and for other assistance programs, but has likely not reached a steady state point of graduation from all of these states.

What has the Title III Program accomplished?

For our college consortium it has accomplished the following:

1. Funded development of 71 Ph.D. degrees and 45 M.A. degrees for a rural and remote state over a thirteen year period.
2. Funded National Teaching Fellowships, summer faculty fellowships, and professional compensatory experiences for faculty over a thirteen year period. (During 1977-1978, three National Teaching Fellowships, (56) fifty-six summer fellowships, and (116) one hundred-sixteen faculty travel study grants were awarded.
3. Provided part time salary for career counseling and study skills instruction at each consortium college. (Impact: During 1978-1979, 256 Native Americans have been enrolled; during the past two years 33 Native Americans have received a B.A. degree and 13 have received an A.A. degree.) All students with special needs were served. Career counselors often counsel as many as 500 different students during course of an academic year.
4. Funded part time institutional research efforts at each of 6 consortium colleges. (Retention and attrition studies, student placement studies, student follow-up studies, and needs assessment studies have all been made possible with Title III funds.)
5. Supported and developed a central consortium coordinating office through which planning and development has grown over a (13) thirteen year period. (Faculty and staff councils have been organized in the past five years and meet regularly. The science council (1978) developed an NSF Computer Learning Project, $250,000; the humanities council developed a summer chautauqua conference, NEH funded for $40,000 and a summer faculty writing project NEH funded for $25,000; the institutional research council is presently proposing a research project on rural women for Department of Agriculture funding.)

Our consortium colleges believe this type of development could only have been made possible by Title III funding. A rural and isolated group of six colleges has proceeded with development and intend to stay together; but Title III resources are critical and we believe in the program.

What are negating factors of the Title III Program?

We do not believe eligibility should be restricted to narrow eligibility factors such as BEOG numbers or diminishing E and G expenditures. The intent of the legislation makes plain that struggling institutions are to be recipients while BEOG speaks to struggling students who have student grant programs.

Large assisting agencies and extremely large consortia appear to have a disproportionate share of the Title III funds. (Our consortia is representative of 130 small organizations around the nation [Representative of 1560 participating institutions] but we have no lobby nor any Washington office.) Our programs are field operations which aid basic development of our institutions.

What is needed for the future?

1. Multi year funding for separate consortium applications.
2. Broader eligibility criteria such as updated factors previously used.
3. Objective selection processes for grantees.
4. Site visits in the field.
5. Use of performance evaluations.
6. Increased funding for Title III given effective program performance.
7. Required long range planning for applicants.
8. Cost efficient and cost effective practices by grantees.

Please accept this letter as my testimony for the hearings now in progress. I stand ready to answer questions at any time.

Sincerely,

Donald T Cannon

Donald T. Cannon
Executive Director
Northern Plains Consortium

REAUTHORIZATION OF THE HIGHER EDUCATION ACT AND RELATED MEASURES

Part 1—Strengthening Developing Institutions

THURSDAY, MARCH 29, 1979

House of Representatives,
Subcommittee on Postsecondary Education,
Committee on Education and Labor,
Washington, D.C.

The subcommittee met at 9:30 a.m., pursuant to notice, in room 2261, Rayburn Building, Hon. William Ford (chairman of the subcommittee) presiding.

Members present: Representatives Ford, Peyser, Williams, Buchanan and Tauke.

Staff present: Thomas R. Wolanin, staff director; Patricia F. Rissler, deputy staff director; William C. Clohan, minority assistant education counsel; and Jennifer W. Vance, minority legislative associate.

Mr. **Ford**. The Subcommittee on Postsecondary Education will come to order for the purpose of continuing hearings on the reauthorization of the Higher Education Act and related measures.

We will go off the record for a minute.

[Discussion off the record.]

Mr. **Ford**. We can go back on the record.

Our hearing today will continue to consider the program for strengthening developing institutions, title III, of the Higher Education Act of 1965.

In the hearing yesterday we heard from representatives of the General Accounting Office who discussed their report, "The Federal Program to Strengthen Developing Institutions of Higher Education"; representatives of the National Center for Educational Statistics who commented on the new methodology proposed in the new regulations for determining whether an institution of higher education is a developing institution; witnesses from the major consortia which provide assistance to developing institutions; witnesses from institutions which participate in the title III program, and from Representative Pat Williams of Montana, our colleague, who has shown a very special interest in this subject matter.

Our witnesses today will include representatives of the organizations of those served by the title III program; representatives from the Office for Civil Rights, who will discuss the relationship between the implementation of the *Adams* v. *Califano* decision and the title III program; and representatives from the Office of Education who will be prepared to discuss the operations of the program and the proposed new regulations for the program.

I would like to announce also that the hearing record will be held open for 1 month for additional written statements from anyone having suggestions or ideas related specifically to the reauthorization of title III.

With that, I would like to ask you to come forward as a panel.

Mr. Billingsley, president of Morgan State University in Baltimore, is here today representing the National Association of Equal Opportunity in Higher Education.

Mr. Billingsley, before I call the others up, I would like to take this opportunity—and I know that I speak for many Members of Congress and many people presently associated with higher education yet to come in—to thank you for being one of the people who had faith in us last year when you came before this committee on behalf of the institution and the organization, and supported our efforts in the adoption of the Middle Income Assistance Act.

Mr. **Billingsley**. Thank you, sir.

Mr. **Ford**. We hope that we will have the same kind of good luck that we had last year, and that we can reach the same kind of balance in the support from higher education people that we reached last year.

I would like to have come forward Alvin D. Rivera, representing the National Hispanic Higher Education Coalition, and Richard Nichols, representing the American Indian Higher Education Consortium.

Without objection, the prepared statement presented to the committee under the rules by Dr. Billingsley will be inserted in full at this point in the record, and you may proceed to comment on it, add to it, or supplement it in any way you wish, Dr. Billingsley.

[The prepared statement by Dr. Andrew L. Billingsley, president, Morgan State University, Baltimore, Md., on the reauthorization of title III of the Higher Education Act of 1965 as amended, with appendix 1 attached thereto, follows:]

Statement of Dr. Andrew L. Billingsley, President, Morgan State University

My name is Andrew Billingsley. I am president of Morgan State University in Baltimore, Maryland. Today I appear before you on behalf of the National Association For Equal Opportunity in Higher Education, the membership organization of the one-hundred and five historically black colleges. These colleges enroll more than 200,000 students and continue to account for approximately one-half of the black recipients of baccalaureate degrees. I especially thank you for this opportunity to comment on the proposed Reauthorization of Title III of the Higher Education Act.

Approximately eighty of our institutions have been among the more than seven-hundred institutions that have benefited from Title III. Studies consistently document the fact that the academic quality, administrative capacity and student services of our institutions have been significantly strengthened by Title III funds, consistent with the objectives of the program. Our observations concerning the proposed changes in the legislation authorizing Title III may be summarized as follows:

I. DEFINE A DEVELOPING INSTITUTION IN TERMS OF ITS SERVICES TO ECONOMICALLY DEPRIVED STUDENTS

We fully concur with the definition developed after exhaustive study and extensive hearings by the Office of Education of the Department of Health, Education, and Welfare, and included in the proposed new regulations for Title III. The essence of this definition is that a developing institution is distinguished from others "by

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serving a significant number of economically deprived students." We concur with the use of the quantitative measures, "average educational and general (E and G) expenditures per full-time equivalent (FTE student) and average basic educational opportunity grant (BEOG) award per FTE undergraduate student, for identifying institutions serving economically deprived students. Finally, we concur that the participating Title III institutions should document that they have the desire and potential to make the "special contribution" of increasing the flow of these economically deprived students into the main currents of American life, and that they should demonstrate a willingness to help themselves overcome the impediments they face.

The adoption of this definition of a developing institution should be a key and central element in the reauthorization legislation. It is important because large numbers of low-income persons are outside of the main currents of American society. Many Blacks, Hispanics, native Americans, and low-income Whites do not enjoy the fruits of this society. More important, they represent unutilized human resources, who instead of costing society could contribute to the economic health and the social wholesomeness and well being of our society.

The irony is that in many instances, particularly among Blacks, past Federal and state laws in some areas, practices flowing from those laws in other areas, and overall public policy were the roots from which the economic deprivation continues to flow. President Lionel H. Newsom of Central State University described this deprivation of students entering his university that I believe is typical of many students entering the historically black colleges. He said, "we are the first to acknowledge that most [of our] entering students are seriously handicapped—educationally, socially, economically, and psychologically. It is a known fact that if the handicap were physical, like blindness or deafness, there would be no question of the high cost of their education. Years of discrimination, deprivation and prejudice have made Black people, old and young, a handicapped segment of our society. . . ."

Now we know that when a society has a serious problem that afflicts it, and an institution seeks to help a society solve that problem, whether it is in cancer research, the advancement of technology, or developing new defense weapons, it is Federal policy to support that institution in serving society.

It is now firmly rooted in Federal policy to assist low-income students. Virtually our entire financial aid program is based on that premise. The new legislation for Title III should also recognize that by accepting significant numbers of economically deprived students and developing them into resourceful and productive members of society, institutions are performing a service for society, and, accordingly, deserve support from that society. Indeed, these institutions are performing a national service and on those grounds deserve support. Please note we are not saying productive service to economically deprived students should be one of many criteria in defining a developing institution. We stress that it is the only criterion.

II TITLE III SHOULD NOT BE CONVERTED INTO A GENERAL INSTITUTIONAL AID PROGRAM

Title III should not be converted into a general institutional assistance program. We recognize that an increasing number of institutions face financial difficulties and are struggling for survival. Given predictions of declining enrollments in the years ahead, an even greater number of institutions will require outside assistance. Some mechanism must be found to provide support to these institutions. This should be done outside of the framework of Title III. The specific purpose of Title III to help institutions serve economically deprived students should not be compromised by assuming the overwhelming task of helping all institutions with a variety of problems. To repeat, Title III should not be converted into a general institutional assistance program.

III ELIMINATE THE IMPLICATION THAT FUNDING IS TEMPORARY FOR INSTITUTIONS WHILE IN CERTAIN STAGES OF GROWTH

Under current legislation, the question is invariably asked, "When is an institution developed, after which it will no longer require Federal funding?" This question is based on the fallacious assumptions that there are stages of growth through which an institution passes, and at some point the institution is developed and requires no additional funding. Under the new definition, an institution is developing in terms of the low-income students it serves. Title III is not to be considered a general institutional aid program. An institution might be poor and might have deficits and would not qualify as developing in terms of the definition proposed for this legislation. On the other hand, if an institution is serving larger numbers of low-income students and does not have the resources from other sources fully to assist society in developing these students, then it is developing. As long as an institution continues to perform the function of serving large numbers of low-income students, it is developing. Thus, legislation should not even imply that an institution would be funded for three or five years after which funding ceases because the institution is developed. The low-income students served, not the period of funding or stage of growth alone, of an institution would qualify it for Title III funding.

IV THE NEW LEGISLATION SHOULD CLARIFY THE RELATIONSHIP BETWEEN DEVELOPING INSTITUTIONS AND ASSISTING AGENCIES

The new legislation should continue to recognize the importance of assisting agencies. Title III funding should go directly to the developing institutions; however, the new law should make it very clear that possibly through a subcontracting arrangement the developing institution could identify the assisting agency to which funding would be given for fulfilling certain services. Once a subcontract is approved by the Office of Education, the responsibility for delivering the services would be clearly that of the assisting agency. Also, the assisting agency and not the developing institution would be subject to audit both for accountability and performance.

V. TITLE III LEGISLATION SHOULD AUTHORIZE AND SUPPORT FUND-RAISING ACTIVITIES BY DEVELOPING INSTITUTIONS

An institution incurs a number of incremental costs as a result of taking in low-income students. We have already stressed that given the fact that these institutions are rendering a service to society, they should be assisted by the Federal Government. This assistance should take the form of support for faculty developmental programs, student services, curricula, and management. We consider it proper, however, to provide support to institutions to strengthen their capacity to obtain funds from the private sector to assist in defrayings costs in these areas. Success in fund-raising could strengthen the institutions in providing services to low-income students. We would particularly favor including in the Title III Authorization the endorsement of an endowment concept in which private funding matched with government funding would provide long-range stability to institutions serving low-income students. We particularly endorse the F. D. Patterson Endowment Plan, a description of which is attached as Appendix 1. This plan provides a method for the creation of institutional revenues that does not interfere with the institutional objectives of participating institutions. Participating institutions would provide for themselves a continuous flow of budget income in predetermined amounts and over a specific period of time. Income from the endowment portfolio would be unrestricted and could be expanded in accordance with the particular institutions' priorities and needs. Private donors would be provided with an additional incentive to contribute to colleges and universities. Unrestricted giving would be stimulated, and restricted giving that stipulated an expenditure of revenue over an extended period would be encouraged. Participating institutions would be stimulated to develop and to exercise their own private fundraising potential. There would also be an incentive to formulate long-term institutional development plans as a key factor in convincing prospective donors of the importance of their continuation. Institutions that participate in this endowment plan would be encouraged to provide more effective financial management of their portfolios and budgets. The endowment legislation will not mean the creation of a new program, but rather will become a part of an already existing one. It will require new funds via Title III.

VI. ADOPTION OF THE NEW DEFINITION WOULD OBVIATE THE NECESSITY FOR SET ASIDES

There are those who argue that given the historic importance of the historically black colleges in serving low-income students, a 50 to 60 percent set aside for the historically black colleges should be authorized in the new Title III legislation. The community colleges have announced their desire to have a 35 percent set aside. Other groups are expected to ask for set asides. Serious consideration should be given to establishing other programs, outside of Title III. funded to meet the legitimate needs of special constituencies and, after that has been successfully accomplished, to free up Title III to concentrate on funding institutions serving low-income students, with proportionately more funding going to those institutions performing proportionately more in serving low-income students. The community colleges are one of the most important and significant innovations in higher education of this century. They deserve support in their own right as community colleges. Accordingly, it is our hope that a commitment to support these institutions in the legitimate program designed specfically to assist them, Title X, can be met, and that Title III should provide supplemental support to those community colleges serving—

by actually graduating—economically deprived students. All community colleges would, accordingly, be supported under Title X. Some, those specifically serving low-income students, would qualify under two titles, Titles III and X. If funding can be achieved under Title X for community colleges, we propose the elimination of set asides for community colleges under Title III. Such a set aside would distort the meaning and purpose of Title III under the new definition. Either some community colleges not serving economically deprived students would be funded or officials would have to "scrape the bottom of the barrel" and fund unworthy proposals to meet the 24 percent set aside requirement.

We reject as misleading the statistic that community colleges enroll 50 percent of Black students and thereby should argue for an either larger set aside. The heavy enrollment of Blacks in community colleges is a problem area with respect to getting Blacks into the mainstream of our society. Recent research indicates that relatively more able Black students than able white students attend community colleges, rather than the four-year institutions that prepare persons for further development as professionals, managers, and policy-making participants in the main current of our society. The fact is that though community colleges serve a worthy purpose, a large percentage of Blacks going to community colleges are enrolled in non-degree programs. The attrition rate is extremely high among Blacks attending these institutions, the transfer rate among Blacks from community colleges to four-year colleges is relatively low, and of those who do transfer, the dropout rate before these persons complete the baccalaureate degree is extremely high. Community colleges, to repeat, perform a valuable function, but they perform only a part of the educational function, and, according to some researchers, divert rather than increase the flow of Black students into high level positions in our society.

VII. TITLE III SHOULD ENCOURAGE DESEGREGATION AND THE SUPPORT OF STATE-WIDE PLANS

Title III funds should encourage and support desegregation efforts. In addition, Title III funding should support state-wide planning efforts. These ends can be accomplished through the implementation of regulations, such as those now proposed by the Commissioner of Education. We feel that it would be a serious mistake to award funds to institutions through the states, rather than directly to institutions as a means of accomplishing this coordination. Channeling Title III funds through a state to private institutions would be particularly objectionable. Channeling them to public institutions through the state would be also undesirable. Indeed, many believe that the plight of the historically black colleges exists now because of underfunding or neglect on the part of states in supporting the development of economically deprived students. Rather than have states screen the institutions, we would favor the inclusion of a provision requiring that the states meticulously observe the maintenance of effort requirement, and in addition provide supplemental support to assist the colleges in promoting desegregation, the implementation of state plan, and the enhanced flow of the economically deprived students into the mainstream of society.

VIII. THE FUNCTIONS OF THE NATIONAL TEACHING FELLOWSHIP SHOULD BE BROADENED

National Teaching Fellowships should be retained in the new legislation as a means of substituting for existing faculty who might wish to take a sabbatical to upgrade themselves. In addition, however, the National Teaching Fellowship Program could be used to provide upward mobility for a pool of minority students themselves. Thus, in lieu of possibly attracting a young graduate student from a prestigious university to work with low-income students at a developing institution, the developing institution itself might identify two or three of its brightest recent graduates to help in tutoring and developing other low-income students. Concurrently, these recent graduates themselves could be provided fellowships to work on advanced degrees. In addition, the National Fellowship Program might be used to develop a pool of specialists interested in working with low-income students and who would be assisted in developing the skills to work with such students. We would invision increasing the stipends paid to National Teaching Fellows in order to enable them to match the alternative incomes they would have earned elsewhere and to provide them with adequate resources to develop themselves. In place of the Presidents Emeriti Program, we propose a "topping off" arrangement to bring in visiting professors for short periods to develop new programs and upgrade curricula.

IX. THE LEGISLATION SHOULD ENCOURAGE A CLOSER COOPERATION AMONG AND ARTICULATION WITH INSTITUTIONS AT VARIOUS LEVELS CONCERNED WITH LOW-INCOME STUDENTS

Each level of schooling tends to blame another level for the failures encountered so far in developing students from low-income backgrounds. The elementary schools complain of the products sent to them as teachers from the colleges. The secondary schools point to the lack of development among those coming from elementary schools. Postsecondary education points an accusing finger at the secondary schools. Title III offers an opportunity to help institutions in postsecondary education identify and begin developing students on the secondary level, to effect cooperation among community and four-year institutions, to produce educators specialized in educating disadvantaged youth, and to continue the development of persons interested in working with low-income students by encouraging them and supporting them in attending graduate and professional schools. The Title III Program, under new legislations, should be supportive of these coordinating and articulation activities.

X. TITLE III LEGISLATION SHOULD ENCOURAGE NEW APPROACHES FOR DEVELOPING INSTITUTIONS TO SERVE LOW-INCOME STUDENTS

In the past, development has meant patterning developing institutions after the most prestigious institutions in the nation. The new legislation should encourage institutions to develop new programs to motivate and actually educate students to enter careers possibly nontraditional to them, that lead to the mainstream. Assistance should be given the institutions to develop new methodologies and techniques that could assure success. We support proposals to utilize technology and telecommunication in developing institutions. The institutions should be encouraged to develop curricula that are appropriate to the missions of developing low-income students, not necessarily curricula patterned after others. In brief, the development of the institution would be the restructuring of at least some aspects of the institutions in order to better serve and develop low-income students.

XI. THE AUTHORIZATION LEVEL FOR TITLE III TO BE INCREASED TO $250 MILLION

We concur with the recommendation of the American Council on Education and the higher education community that the authorization level for Title III be increased to $250 million. Given the phenomenal progress made in improving access and given predictions of the increase in low-income students going to college, support must now be increased for the retention of those students (a function to be addressed in another title of the Higher Education Act) and to strengthen the institutions which will be receiving and graduating those students. Indeed, there is one proposal that the expanded authorization include funds that would be earmarked for institutions that demonstrate success in actually graduating low-income students. In any event, an expanded authorization will be needed so that the resources in this program will be somewhat commensurate with the tasks to be performed.

XII. INDIRECT COST SHOULD BE ALLOWED

We urge that indirect cost be clearly and explicitly authorized for Title III in the Title III Program. This would provide resources for efficiently managing the funds so that institutions could comply with the highest standards of fiscal accountability.

XIII. THERE SHOULD BE A "GRANDFATHER CLAUSE"

In a separate statement we have joined with two other associations in stating that: We share a joint and mutual concern that the proposed rules concerning institutional eligibility for participation in the Developing Institutions Program should be modified—before they are published as final rules—to make certain that currently eligible institutions continue to be eligible for participation in the Program under the new programs. Some institutions have initiated programs under Title III on the assumption that they were eligible. To eliminate them from the Program could cause discontinuity and hardship to these institutions. "Grandfathering" would merely retain the existing institutions among those that are eligible. Whether or not they would actually receive grants, and if so, how much, would be separate issues to be determined in open competition.

APPENDIX 1

THE COLLEGE ENDOWMENT FUNDING PLAN

INTRODUCTION

It has become evident to even the most peripheral observer that the small private college in America is faced with an economic crisis unparalleled in its history. Equally obvious is that higher education has reached zero hour for implementing that "innovative plan" that will rescue the private colleges from bankruptcy and secure for them those funds so necessary for meeting the ever-escalating costs of higher education. The dire predictions concerning the fate what will befall many of our private colleges within the next ten years if they cannot find a realistic and long-term method for raising more money must be believed.

In 1974 total gift support for higher education showed no gain at all and public and private funding sources continued to contribute a substantial portion of their money for special projects of relatively short duration rather than for unrestricted current support. (It is estimated that as much as 70 percent of the money contributed to higher education is "program" money.) This type of aid, while it has been invaluable in many, many ways, does not ease the long-term financial problems of institutions. Indeed, it often augments them, since restricted short-term funding invariably contributes to new higher levels of ongoing expenditures. In short, both federal and private assistance have tended to create permanent programs but provide only temporary financing. Thus, colleges and universities, in the process of improving quality and services, have committed themselves to larger and larger budgets, anticipating long-term growth of both student bodies and gift support to offset increased expenditures. For United Negro College Fund schools this has posed an even greater problem than for most other institutions because of the narrow base of support available to them. When a program grant to a UNCF school is expended, the basic quality of its total program may be threatened.

There seems little doubt that the development of strong endowments is one of the keys to meeting the on-going and escalating costs of higher education, but how can the predominantly black colleges increase their endowments, given the lack of wealthy alumni and reluctance on the part of their major donors to make other than restricted grants?

THE COLLEGE ENDOWMENT FUNDING PLAN

The United Negro College Fund believes that a truly innovative plan for the predominantly black colleges has been developed, and has decided to try to raise a substantial sum—something in the neighborhood of $50 million—to make it possible to help its 41 member schools participate in such a program.

The plan itself, called the College Endowment Funding Plan (C.E.F.P.) relies on monetary and investment procedures currently in operation in the business community and utilizes loan funds for the benefit of institutions rather than as a last resort. The desired result is achieved by "leveraging" gift money with borrowed money, with both the gift money and borrowed money invested at a favorable interest spread.

In order to participate in the plan an institution needs:

One: A combination of gift monies that is at least one-third unrestricted;

Two: A loan twice the amount of the gift monies.

> Example: Tuskegee Institute (a UNCF school) receives a restricted grant in the amount of $1,000,000 to be expended for the development of a new curriculum in its school of veterinary medicine. It then needs another $500,000 of unrestricted gift money and $3,000,000 of loan funds, borowed at a favorable interest rate, to make the Plan work.

To illustrate how the Plan works: the total amount of $4,500,000 is then invested in fixed interest securities at a rate slightly higher than that at which the $3,000,000 portion was borrowed, and the Plan is locked in for a 25-year period. The return on the total investment is used as follows:

One: To pay the interest on the loan for the first 15 years, then interest and principal for the remaining 10 years;

Two: To provide $100,000 a year of program money for the entire period, the first ten payments to meet the specified purpose for which the grant was made, and the following payments to maintain the program permanently;

Three: The remainder of the investment income is to be re-invested to increase the principal amount.

Then, at the end of twenty-five years, when Tuskegee Institute has paid back the loan and met its obligations to the grantor, the process works out in such a way that an endowment in the amount of $6,240,472 will have created, and this provides a permanent source of annual income.

STATEMENT BY ANDREW L. BILLINGSLEY, PRESIDENT, MORGAN STATE UNIVERSITY, BALTIMORE, MD.; FOR THE NATIONAL ASSOCIATION FOR EQUAL OPPORTUNITY IN HIGHER EDUCATION (NAFEO)

Mr. **Billingsley**. Thank you, Mr. Chairman.

My name is Andrew Billingsley, and I am president of Morgan State University in Baltimore, Md.

Today, I appear before you on behalf of the National Association for Equal Opportunity in Higher Education. With me today also is Dr. Samuel Myers, who is the executive director of the National Association, and would be able to answer any of the questions you might wish to raise.

I will not read the statement, Mr. Chairman, but I would like, first, to thank you personally for the leadership you are providing, and your committee, in the field of higher education and the national policy, and to express our continuing support for the kind of leadership that you and your committee are providing for the Nation.

I would just read one or two pages of my opening remarks, then the major points of the testimony, and conclude with the final paragraph of my testimony.

We fully concur in our Association with the definition of "developing institutions" after exhaustive study and extensive hearings by the Office of Education of the Department of Health, Education, and Welfare. The essence of this definition is that the developing institution is distinguished from others by serving a significant number of economically deprived students.

We concur with the use of the quantitative measures, average educational and general expenditures per full-time equivalent student and average basic educational opportunity grant award per FTE undergraduate student, for identifying institutions serving these economically disadvantaged students.

The adoption of this definition of the developing institution should be a key and a central element in the reauthorization legislation:

Then, Mr. Chairman, we seek to make about 12 other major points in support of the reauthorization.

The second point is that title III should not be converted into a general institutional aid program. It should remain targeted to low-income students being served by particular institutions.

Third: We believe that the implication that funding under title III is temporary should be eliminated. As long as there are economically deprived students being served by the institutions, there may be a continuing need for support, and we urge that that concept be implemented in this legislation.

Fourth: Our view is that the new legislation should clarify the relationship between developing institutions and assisting agencies.

There have been some problems in the relationship between assisting agencies and the developing institutions. We certainly do not condone any malpractices that might have appeared to have been developing. We want to see the legislation itself be more explicit in clarifying this relationship.

The major authority and responsibility should rest with the institutions but they should still be able to use assisting agencies. Once those agencies are appointed, they should be accountable fully to the Government for the use of those funds.

Our fifth point is that title III legislation should authorize and support fundraising activities by developing institutions.

At the present time it is possible to do so some training of fundraising staff, but we would like to see that expanded a bit further in order to enable institutions to do fundraising activities.

We are particularly eager to support and endorse the F. D. Patterson endowment plan for development funding, an endowment type of funding for these institutions.

Our sixth point is that we would discourage an extension, or expansion of the set-aside approach. We think that funding should be targeted to those institutions serving large numbers of low income students. As to the expansion of the existing set-asides, we support the existing program for community colleges of a 24 percent set aside but would be opposed to expanding that further.

We are really opposed to the idea of set-asides for predominantly black colleges. In our Association, we would not support that approach. We would rather stick with the present regulations which target these funds for institutions serving large proportions of low income students wherever they may be.

Our seventh point, Mr. Chairman, is that title III funds should encourage desegregation, and should support statewide plans which are in keeping with HEW guidelines.

We still would be opposed to allocating funds at the State level, but would be in favor of allocating funds to the institutions. The role of the States in desegregation should be supported in this legislation.

Our eighth point is that the functions of the national teaching fellowship program should be broadened. We are especially eager to encourage young people who graduate from the developing institutions to go on and become further trained and able to work with students in these situations. We would not like to rely completely on importing students and expertise from other institutions, but to help these developing institutions develop their faculty as well as their students through the expansion of the national teaching fellowship program.

Nine: Is our view that the legislation should encourage a closer cooperation among the institutions at various levels.

It is now too easy for the colleges to blame the high schools and the community colleges, and for the senior colleges not to agree, and for the senior universities to have a different approach.

We think there ought to be more coordination in order to get more disadvantaged students educated at the highest levels of higher education.

Ten: We believe that title III should encourage new approaches for institutions serving low-income students, and should not be confined to the traditional approaches.

Eleven: We think that the authorization level for title III should be increased to $250 million, beyond the present $120 million.

Twelve: We believe that the indirect cost should be allowed for the institutions in support of this program.

And finally, Mr. Chairman, we believe that there should be a type of "grandfather clause". That is, we share in a joint and mutual concern with other institutions that the proposed rules concerning eligibility for participation should be modified to allow institutions now participating to continue to be eligible to participate, and for the Office of Education to decide whether they may, indeed, be funded in a particular year.

Mr. Chairman, those are the major observations. We would be pleased to answer any questions that the committee members may have.

Mr. FORD. Thank you.

If it is agreeable to the committee, I would like to proceed with the panel members, and then have questions directed at the panel members as the members wish to ask the questions of all at one time.

Without objection, the statement submitted to the subcommittee under the rules by the National Hispanic Higher Education Coalition will be inserted in full at this point in the record, and I ask Mr. Alvin Rivera to proceed to comment on that statement, add to it, or supplement it in any way he is most comfortable.

[The prepared statement of Dr. Alvin D. Rivera, director, finance and manpower activities, committee on minorities in engineering, representing the Hispanic Higher Education Coalition follows:]

PREPARED STATEMENT OF DR. ALVIN D. RIVERA FOR THE HISPANIC HIGHER EDUCATION COALITION

My name is Alvin Rivera and I have been designated as the spokesperson for the Hispanic Higher Education Coalition on this topic of Developing Institutions. I had the opportunity to work in the Developing Institutions program for 8 months (October 1976 - May 1977) as an HEW fellow. The experience was insightful, revealing, frustrating, disappointing, and often demoralizing. In addition, I worked as a Special Assistant in the Office of the Assistant Secretary for Education in the Department of Health, Education, and Welfare (HEW). Currently, I am employed by the National Academy of Sciences for the Committee on Minorities in Engineering.

The Hispanic Higher Education Coalition (HHEC) is comprised of individuals representing 10 national Hispanic organizations interested in improving educational conditions for their constituencies. The HHEC has as its central purpose to increase participation of Hispanic populations in higher education in the Nation. The 10 national organizations which comprise the HHEC are:

ASPIRA of America
El Congreso Nacional de Asuntos Colegiales
League of United Latin American Citizens
Mexican American Legal Defense & Educational Fund
Mexican American Women's National Association
National Association for Equal Educational Opportunities
National Council de La Raza
National IMAGE, Inc.
Puerto Rican Legal Defense & Education Fund, Inc.
Secretariat for Hispanic Affairs, U.S. Catholic Conference

We wish to discuss three things with you today. First, we wish to provide you with a brief background about the critical needs of Hispanics in higher education. Then, we would like to discuss the current laws and regulations of Title III and their application to the Hispanic population. Finally, we will suggest various changes in the existing laws and operations of Title III in order to address the needs of Hispanics.

BACKGROUND

The reauthorization of HEA of 1965 is extremely important to the Hispanic community. We understand that this particular reauthorization cycle may be for five years, running into the middle 1980's. With the continued growth in the Hispanic population (by the year 2000, Hispanics are projected to be the largest minority in the U.S.), the ability to enter the technical and professional fields, through higher education, becomes a central concern to the Hispanic community.

Higher education becomes even more critical, when you consider the glaring inequities Hispanics face in education. Educational attainment still remains at the 9th grade level. Dropout rates soar over 50% in an overwhelming number of densely populated school districts. Participation rates in four year, graduate, and professional schools continue to be 1% to 2%. These inequities set against the continued high unemployment rates of Hispanic youth (upwards to 30%) exemplify the seriousness of the inequities we face.

The interest of the Hispanic community in higher education is not isolated to our concerns with the population boom and disturbing inequities, but takes on greater significance as we analyze the current trends in higher education and the nation's economy.

TRENDS

One would just have to read the newspapers to see the trends in higher education. These trends are not divorced from the economic conditions of the country. Proposition 13 has threatened the economic stability of local community college efforts. It has also threatened indirectly, but nevertheless critically, the financing of four year educational systems, since State funding will now become even more competitive. Institutions of Higher Education (IHEs) are facing the enrollment decline and difficulties of financing a University operation (e.g. buildings, maintenance, teacher salaries).

The Bakke decision suggests that the allocation of professional admissions slots will be tighter. The Hispanic community cannot tolerate this implication, since we are already underrepresented in most professional fields. What we are facing is a middle income revolt which is going to cut away at advantages that minorities and the poor are just beginning to realize.

The middle income revolt is not unjustified, given spiraling inflation and the public cry for excellence in and opportunity for all Americans in education who contribute, through taxes, to education.

But these trends are coming at a time when progress for the poor is waning. Hispanics have not penetrated four-year and graduate school educational systems in equitable numbers. Opportunities are still limited and access has not been achieved. Thus, four primary issues facing Hispanics in higher education continue to be access, retention, professional development, and institutional representation.

These trends become even more pronounced when we analyze the involvement of Hispanics in educational institutions and agencies. The lack of institutional representation remains a difficult barrier to overcome and current participation in IHEs and Federal and State educational agencies remains minimal.

Beyond the limited participation of Hispanic students in higher education, faculty and administrative ranks are virtually uninhabited by Hispanics. The number of institutional personnel is extremely low throughout the country, particularly in urban and rural areas with large proportions of the Spanish speaking. The lack of institutional participation in faculty and administrative positions is further complicated by the lack of a set of Hispanic controlled postsecondary institutions to generate such professionals. There are only a handful of "Hispanic Colleges" in the country and they are at the beginning stages.

In summary, access, retention, professional development, and institutional representation are the main issues which must be addressed in the reauthorization of the Higher Education Act on behalf of Hispanics.

ACCESS

Access to postsecondary educational institutions (including communitycolleges) cannot be achieved until we equalize environments for Hispanics with the middle and upper middle income students. Early intervention in the way of counseling and tutoring is extremely important to get the students ready to enter the educational system. It is difficult to enroll Hispanic college students, if they do not complete a high school education. Programs that serve as a bridge between junior high, high schools, two year, four year, and graduate institutions need to be expanded and targeted to Hispanic areas.

RETENTION

The Hispanic dropout rate continues to be severe in junior high, high school, and colleges throughout urban and rural areas. Policies and programs that seek to keep the student in school need to be developed.

PROFESSIONAL DEVELOPMENT

A major purpose of higher education is to place individuals into the policy arenas of society. Hispanics need to go beyond the Associate of Arts and Bachelors Degrees into graduate and professional education. Our success in this area has been dismal. Access and retention are key issues in graduate education. In order to fill administrative and faculty posts in IHEs, Hispanics must acquire graduate degrees. Graduate education programs which support Hispanics in graduate schools need to be expanded.

INSTITUTIONAL REPRESENTATION

The lack of Hispanic representation in local, state, and federal executive agencies and educational institutions,(faculty, administrators, and federal and state advisory panels, is an unavoidable consequence of inadequate professional development. This hinders effective articulation of our problems and frustrates the development of strategies to meet our present and emerging educational needs. Without equitable representation, policies and programs will continue to have limited impact on the Hispanic community.

Hiring of Federal employees in education is not a reauthorization issue per se, but the problem should be addressed. Effectiveness of Federal education programs for Hispanics will be stifled unless sufficient participation of Hispanic staff in policies and programs occurs. For example, it should be noted that there are only two Hispanic professionals in the entire Bureau of Higher and Continuing Education. This is continued evidence of the insensitivty of the Federal government to the needs of Hispanics.

TITLE III - THE LAW and BACKGROUND

CURRENT LAW: Public Law 89-329-Nov. 8, 1965: Title III Strengthening Developing Institutions: The purpose of this title is to assist in raising the academic quality of colleges which have the desire and potential to make a substantial contribution to the higher education resources of our Nation, but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life. For this purpose, the Commissioner is authorized to establish a national teaching fellowship program, to encourage and assist in the establishment of cooperative arrangements under which these colleges may draw on the talent and experience of our finest colleges and universities, and on the educational resources of business and industry in their effort to improve their academic quality.

The Developing Institutions program is mainly a minority operated program. The history of the program emphasizes allocating resources to helping colleges develop their resources. In recent years, given the tight money situation of higher educational institutions, more colleges have applied for Title III funds.

This legislation has had an overall positive influence on the institutions fortunate enough to be helped by the program. For this reason, we support the program, in principle, with several major modifications. We believe this legislation was established to help all institutions that demonstrate a commitment to serving low-income and minority group students. Although the program has been criticized for its poor administration at times, the positive aspects of the program outweigh the negative administrative problems.

With the demographic data revealing an ever increasing Hispanic population, the need exists for personnel operating programs like "Developing Institutions" to become more knowledgeable of the positive aspects of financially supporting institutions which enroll high numbers of Hispanic students. The table below illustrates the proportion that Hispanics constitute of both the general population and the minority population. Particularly significant is the fact that 5 years ago:

- Hispanics comprised 6.3% of the total population.
- Hispanics comprised 33.7% of the minority population.

TABLE I

U.S. POPULATION BY MINORITY STATUS

Group	Number (in thousands)	% of Total Population	% of Minority Population
Non-Minority	165,000	81.5	-
Minority	37,500	18.5	100.0
Hispanic	12,700	6.3	33.7
Black	22,500	11.1	60.0
Asian	1,500	0.7	4.0
Native (includes eskimos)	800	0.4	2.1
Total population	203,000	100.0	-

Source: U.S. Census Data, 1974

The needs of Hispanics continue to go unmet in higher education. While the Hispanic population continues to increase, a decline in the funding for the Basic Institutional Development Program (BIDP) was recorded from 1977 to 1978.

The funding history of the Basic Institutional Development Program (BIDP) is listed in Table II. These data are not representative of the Advanced Institutional Development Program (AIDP). Although previous participation in Title III was not a requirement of AIDP funding, most Advanced schools were formerly in the Basic program. Most constituents, including Hispanics, served by the AIDP would like to see a breakdown of funding to institutions serving ethnic and racial populations. In 1977, 9.3 percent of the total BIDP funds was allocated for Hispanics and in 1978 this percentage was cut to 6.9%.

TABLE II

FUNDS AWARDED FOR HISPANIC PROGRAMS

BASIC INSTITUTIONAL DEVELOPMENT PROGRAM

TITLE III, STRENGTHENING DEVELOPING INSTITUTIONS

FY 1966 - 1978

YEAR	NUMBER OF COLLEGES FUNDED	TOTAL AMOUNT FUNDED	PERCENT OF TOTAL FUNDS	AVERAGE GRANT
1966	N/A	$ 164,784	3.0%	N/A
1967	N/A	504,188	1.6%	N/A
1968	N/A	919,010	3.0%	N/A
1969	N/A	891,147	2.9%	N/A
1970	N/A	610,000	2.0%	N/A
1971	14	1,613,000	4.76%	115,214
1972	18	2,816,000	5.43%	156,444
1973	23	3,556,000	6.83%	154,608
1974	26	3,812,000	7.33%	146,615
1975	24	4,336,000	8.33%	180,666
1976	31	4,660,825	8.96%	150,349

TABLE II (cont.)

YEAR	NUMBER OF COLLEGES FUNDED	TOTAL AMOUNT FUNDED	PERCENT OF TOTAL FUNDS	AVERAGE GRANT
1977	27	$ 4,861,440	9.35%	180,053
1978	22	3,612,000	6.94%	164,181
		$32,356,394		

Based on these data, we agree with the General Accounting Office Report (February 13, 1979) that there is a need to "clarify the program's intent to show which institutions should be served and the goals these institutions should achieve." Therefore, we recommend the following changes to the existing legislation.

PROPOSED CHANGES

College Programs

The coalition recommends that this title be changed to "Strengthening Developing Institutions and College Programs." This change is directed toward providing incentives through effective and innovative college programs. The college programs will be designed to serve substantial numbers of economically disadvantaged students and students who come from environments in which the dominate language is a language other than English. Such college programs may or may not be located in an existing "developing institution." The college programs would utilize existing and other available resources to be responsive to the above needs of students regardless of their location or financial status.

Retention Incentive Grants

We recommend developing a separate section under this title reserving 25 percent of the funding for "Incentive Grants for Retention" of students. These grants should be reserved for those institutions which demonstrate a high ability to recruit and retain underserved populations.

Retention means the completion of the proposed academic or career goal as determined by the student. The proposed goal could mean completing a single class, a degree program or an activity sponsored by the college. For example, an institution would be eligible to receive a grant, if it demonstrates that students are progressing through a degree program.

The intent of these grants is to ensure that institutions serving substantial proportions or numbers of students who are economically disadvantaged or whose dominant language is other than English will specifically address the issues of access and retention. Effective and innovative efforts to increase the enrollment and graduation of these populations should be considered the central mission of the institutions. Furthermore, an increase in enrollment by itself is not a sufficient reason for eligibility to receive incentive grants.

Rural Colleges

We recommend developing a separate section under this title reserving 25 percent of the funding for "Rural Colleges." These grants should be reserved for rural colleges which serve significant numbers of students who come from economically disadvantaged backgrounds and from environments in which the dominant language is a language other than English. Such grants should enable colleges to develop and modify their educational programs to meet the needs of such students. All available data and experience to date have conclusively demonstrated that rural colleges with significant numbers of economically disadvantaged and language minority students are severely isolated from the mainstream of academic resources. The Coalition feels the geographical isolation, lack of information base, and low socioeconomic status of rural communities must be addressed through a set-aside of 25%.

Cooperative Arrangements

Perhaps the major weakness of Title III is with consortium arrangements. In a report by the Division of Analysis, Review, and Compliance (DARC) in the Department of Health, Education, and Welfare (January 1976), program office records indicated that the Phelps Stokes Fund assisted 41 programs, Institute for Service to Education-36, and the College Placement Service-41. Further, the report revealed that the Phelps Stokes Fund and the College Placement Service appear together on 21 grants, and the College Placement Service and the Institute for Services to Education appear together on 27 grants. All three appear together on 18 grants. The report recommendation stated:

> The Commissioner should institute a study of the frequency of use of assisting agencies, particularly the Phelps Stokes Fund, Inc., the College Placement Service, and the Institute for Service to Education, to determine (a) if the frequency of use is justified, (b) if Federal procurement regulations were followed by the grantee, and (c) if federal funds are paying for a duplication of effort.

This is a situation that should not be regarded lightly. Does the Title III program have any studies currently in progress which address these questions? We feel this is a matter that deserves the utmost attention, and therefore we are requesting the following legislative changes. We recommend careful restructuring of cooperative arrangements as they currently exist. Specifically, while we recognize the value of such arrangements, we recommend that:

1. No institution or agency act as an assisting cooperative institution for more than three developing institutions, and
2. Limit to not more than 10 percent the amount of monies an assisting institution or agency may recieve.

The rationale for these changes is to provide expanded opportunity for institutions interested in assisting developing institutions to apply for grants, while at the same time ensuring that a greater proportion of the funding will be used for the activities and objectives of the developing institution.

Set-Aside For Community Colleges

The Coalition recognizes the contribution that community colleges make to higher education. We know that over 50 percent of Hispanic students start in community colleges. In the past, Title III has received a disproportionately large number of applications from community colleges. However, the set-aside for community colleges presently is limited to 24 percent.

The Coalition recommends that the current 24% set-side for community colleges be increased to 40 percent. We feel this is reasonable given the vital role of community colleges in educating students in so many fields of academic and technical endeavors.

SUMMARY

Title III, as it is presently structured, has not served the Hispanic population in the most productive manner. We feel the potential to serve the needs of Hispanics and other needy populations resides in this program. However, unless and until major modifications are made, the needs of Hispanics will remain unmet. The issues of access, retention, professional development, and institutional representation are vital to Hispanic populations. Indeed, the mechanism of Title III could work to address our needs. Given the implementation of our suggested legislative changes, we are optimistic that the needs of the Hispanic community will be better served.

STATEMENT BY ALVIN D. RIVERA, DIRECTOR, FINANCE AND MANPOWER ACTIVITIES, COMMITTEE ON MINORITIES IN ENGINEERING, NATIONAL RESEARCH COUNCIL, ASSEMBLY OF ENGINEERING, FOR THE HISPANIC HIGHER EDUCATION COALITION

Mr. Rivera. Thank you very much, Mr. Chairman. I have been designated as the spokesperson for the Hispanic Higher Education Coalition. I am accompanied here today by David Lassard of the Mexican American Legal Defense and Educational Fund, which is MALDEF, and they have acted as the secretariat for our organization. In addition to the representative of MALDEF, I am accompanied by Dr. Monte Perez, who is employed by the National Council de La Raza. Mr. Perez is also the legislative chairman of the National Association of Equal Educational Opportunity.

Mr. Chairman, I would like to thank you on behalf of the coalition for having this opportunity. I want to thank both you and also your capable staff for allowing us this platform.

We would like to start by indicating that the Hispanic Higher Education Coalition is comprised of 10 national organizations.

I had an opportunity to work in the developing institutions program from October 1976 to April 1977. I am currently employed by the National Academy of Sciences for the committee on minorities in engineering.

Today, Mr Chairman, I would like to talk about three things. First of all, I would like to talk about the critical needs of Hispanics in higher education. Second, we would like to discuss title III as to how it is meeting the needs of Hispanics. Finally, we would like to discuss the various legislative changes which we will suggest to improve the title III program.

Initially, the coalition has two major concerns. The first concern is that Hispanics continue to be underrepresented virtually in all the professional fields: Law, medicine, health, education, engineering, and in many of the hard sciences.

Second, many Hispanic students never reach higher education. Unfortunately, our dropout rate continues to soar around 50 percent and higher in many locations. For some students that do get on to the institutions of higher education, they are simply ill-prepared, not having taken many of the correct courses, to compete with other students in an academic climate, and therefore they are excluded from the professional schools.

The coalition, in their thinking, talked about three major issue areas. We feel, that title III may be a mechanism to address some of these issue areas.

The issue areas include: Access, retention, professional development, and the lack of institutional representation, both in administrative positions and policymaking positions.

Before I continue on, I would like to make one more observation: Based on the data from the 1974 census, Hispanics comprised 6.3 percent of the population. That is, the total national population. However, the population that they represent of the minority community constitutes 33 percent. Those are very significant findings.

With respect to the developing institution program, the basic branch in which the most eligible for the title III program must initially go through this program, the level of funding in 1977 was

9 percent. In 1978, the level of funding was 6 percent. So obviously, one can observe that we certainly are not making any progress. In fact, Hispanics appear to be losing ground in this program.

The second area that I would like to talk about is the title III program and its applicability to the Hispanic sector, and the purpose of the program. I would just like to reiterate the purpose, which is to assist in raising the academic quality of all colleges which have the desire and the potential to make a substantial contribution to the higher education resources of the Nation but which, for financial and other reasons, are struggling for survival, and are isolated from the main currents of academic life.

In 1376, I conducted an extensive review of the literature, and discovered five studies on this topic. There was conclusive agreement that the definition of "developing institutions" was nowhere to be found, nor could it be stated in operational terms.

In 1975, the GAO notified the people in the Office of Education that they could not evaluate the title III program because the Office of Education had not defined a "developing institution," nor had it determined when an institution would consider itself developed. "That situation," said the General Accounting Office, "continues to exist today."

In January 1977, a private research team studied the title III program, and concluded that there is no difference between a developing institution and a developed insitution when compared on the following factors, and there were eight of them—to list them, briefly: (1) Money spent per student; (2) more library volumes; (3) a higher proportion of the faculty with doctoral degrees; (4) a higher proportion of low income, or ethnic minority students; (5) those that admit a higher proportion of clever students; (6) those that have a larger development office; (7) undertake more curriculum reform; (8) and finally, or indeed, differ on any other traditional measures.

It is essential to state that the research team concluded that there is simply no difference between a developing institution and a developed institution.

Mr. Chairman, this leads me to our first of five recommendations, essentially: That we feel, indeed, there is a need to change the title of this title III program to "strengthening developing institutions and college programs."

We feel that the rationale for such a recommendation is that:

No. 1: Hispanics do not have their own educational institutions like the blacks who have many black institutions.

No. 2: That some institutions that do have large enrollments of Hispanic students do not meet the current criteria of developing institutions.

I might also add to that point that the most recent GAO report points out that in the program there appears to be one criteria for selection as a developing institution and, indeed, a different criteria for the selection of who received the grants as a developed institution.

It is clear that this is troublesome for our population because in light of the statistics that I pointed out earlier, it is clear that we are not making progress. We are going backward in this program.

Finally, we feel that this type of change will provide incentives for innovative programs for students regardless of the institution, its location, or its financial status.

SECOND RECOMMENDATION

Mr. Chairman, the coalition would like to recommend at this time a set-aside of 40 percent for community colleges.

We feel that this recommendation is needed in view of the fact that 60 percent of Hispanic students are currently enrolled in community colleges.

In the past, one could clearly find out, from reviewing the records in the Office of Education, a disproportionately high number of applicants for grants to community colleges, and they are only able to compete for an existing 24 percent of the funds.

Finally, we feel that it is in the best interest to support community colleges because they provide students of all ages and backgrounds a place to start in the technical career fields, or in the academic career fields.

The third recommendation is that the coalition would like to recommend that 25 percent of the funds be set aside for "developing institution funds" for incentive grants for retention of all students.

We feel, specifically, that the administration has failed to address the issues of access and retention of all students, including Hispanic students.

Finally, we also see that enrollment is simply not enough. In this regard, we feel that it is important for a student to be assisted through the process.

We also see that this recommendation will provide an opportunity for the college to be innovative, and to experiment with new approaches to retain Hispanic and other students.

The fourth recommendation is to reserve 25 percent as set-aside for rural colleges that are isolated from the mainstream of academic resources.

We feel that such grants would allow the colleges to develop and reinforce their educational programs to meet the needs of economically disadvantaged Hispanic students.

Further, we feel that this would ensure that the isolated 4-year rural colleges would be given a fair opportunity to receive the existing title III funds.

Finally, the last recommendation is that the coalition recommends that cooperative arrangements in title III be significantly revised. While we acknowledge the importance of cooperative arrangements, we recommend that the following three major changes be entertained:

One: That no institution, business, organization or agency act as an assisting agency for more than three developing institutions.

Two: That the cooperative arrangements should be limited to not more than 10 percent of the amount of money that an assisting agency may receive from any one developing institution.

Three: Limit to four the number of cooperative arrangements that a developing institution may, indeed, enter into annually.

We feel these changes are very important to restructuring the cooperative arrangements.

Mr. Chairman, that concludes our presentation.

Mr. **Ford**. Thank you very much.

Without objection, the statement submitted under the rules of the subcommittee by the American Indian Higher Education Consortium will be printed in full at this point in the record.

I will call Mr. Richard Nichols, director of accreditation to address himself to that statement in any way he deems most appropriate.

[The prepared statement of Richard Nichols, director of accreditation, American Indian Higher Education Consortium, follows:]

Prepared Testimony of Richard Nichols, Director of Accreditation, American Indian Higher Education Consortium

Mr. Chairman, members of the Subcommittee, my name is Richard Nichols. I am the Director of Accreditation for the American Indian Higher Education Consortium. Mr. Leroy Clifford, the Executive Director of the Consortium, is unable to be here today. I would like to express my appreciation for this opportunity to testify on behalf of the member colleges of the Consortium.

The American Indian Higher Education Consortium has taken a leadership role in advancing the cause of American Indian higher education, especially in the area of tribally controlled community college development. It can be said that without the program to strengthen developing institutions, the majority of our colleges and the Consortium would be struggling for survival. The American Indian Higher Education Consortium was formed in October 1972 by six Indian community colleges with a view toward mobilizing a concerted effort to deal with the developmental problems common to all of them. By 1974, membership in the Consortium had grown to twelve, and we now represent 16 colleges in Alaska, California, Arizona, New Mexico, South Dakota, North Dakota, Montana and Nebraska. Our schools represent 21 different tribes in those eight states. Ten of our schools are presently receiving assistance from the Title III program. The central office of the Consortium also receives some assistance from Title III. Appended to my statement is a listing of the grant awards for the previous year, the current fiscal year and the requests for fiscal year 1979-80.

Our central office in Denver provides technical assistance to the colleges in five areas: Curriculum Development, Research, Human Resources Development, Institutional Planning and Evaluation (Accreditation), and Long-Range Fiscal Planning. Due to a cut in our overall Title III grant for this previous year, we have had to concentrate our Title III personnel into the latter three areas. It is through these areas that we are hoping to assist these small, developmental colleges to become more stable.

These colleges represent a new dimension in the quest of American Indian tribes for more control over the elements controlling their everyday lives. The possession and control of one's own educational system is vital to the survival and growth of a people. This is central to the concept of self-determination, as exemplified in the preamble to Public Law 93-638, the "Indian Self-Determination and Education Assistance Act, which was enacted:

> "To provide maximum Indian participation in the Government and education of the Indian people; to provide for the full participation of Indian tribes in programs and services conducted by the Federal Government for Indians and to encourage the development of human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities; and for other purposes."

These colleges reflect a heightened awareness on the part of Indian tribes that the solutions to the problems of reservation poverty, educational under-acheivement and unemployment are inextricably tied into the need for localized education directed at providing a forum for analyzing these problems, devising mechanisms for reservation development, and offering the training and education required for fulfulling the goals and objectives of the tribe. Moreover, that the solutions to these problems are also linked to a need to provide outlets for cultural expression, revitalization and growth.

Many of these colleges emerged as tribal initiatives to solicit existent institutions to become involved in extending their programs onto the reservation. As such, these tribes chartered their own colleges and authorized them to contract with nearby institutions of higher education. The Strengthening Developing Institutions Program became an avenue through which these public and private institutions could provide developmental assistance to the fledgling tribal institutions. The benefits to both groups of institutions was two-fold: the Indian colleges gained valuable technical expertise in institutional planning, curriculum development, faculty and administrative development; and the non-Indian colleges were able to strengthen their links to tribal needs, to work complementarily in offering curricula and services geared to their own individual Indian students. In a sense, the flow of learning methodologies from the non-Indian colleges to the Indian colleges resulting in a return flow of research and learning products, unique to the respective tribe, which other non-Indian colleges are now able to utilize. Tribal histories, native language texts, standardized orthographies, etc., are being developed as well as research being done into looking at the traditional management systems of tribes which encompass extended family groups, medicine societies, clan groupings and other elements of traditional culture.

These colleges have had to rely upon Title III support for much of their basic support initially. Because of the unique relationship of Indian tribes to the Federal government, in regard to the tax-exempt status of reservation lands, and the obligation to provide educational services established by treaty rights or trust responsibility, these colleges are unable to draw upon those resources available to conventional institutions, namely tax resources. Further, because these colleges serve a unique clientele whose one predominant characteristic is an overwhelming poverty, they are unable to draw upon endowments or alumni support. With the recent passage of the "Tribally Controlled Community College Assistance Act", P. L. 95-471, these colleges will be able to move from a heavy dependence on Title III and toward utilizing the program supplementally to strengthen their further growth.

In assisting our colleges to move toward the academic mainstream, the Board of our Consortium has established accreditation as a priority for our staff. As previously stated, institutional planning and evaluation, fiscal planning and human resources development have been the primary focus of our activities aimed at moving our colleges toward becoming accredited. Two of our colleges are now fully accredited, five are candidates for accreditation, two have submitted applications for candidate status to their respective regional accrediting body; and we are assisting four other colleges in their self-evaluation efforts to submit applications.this year. This effort has involved our staff in developing liason with the regional associations, providing information on the accreditation process to our colleges; assisting them in implementing long-range planning, program evaluation, budgeting and management systems; and in board, faculty and staff improvement.

There are several concerns that the American Indian Higher Education Consortium has regarding different aspects of the Strengthening Developing Institutions Program. As shown in the attachment, only ten of our colleges receive Title III funding. Of these, and including funding for the Consortium, for the previous year (FY'78), the total amount of Title III funding was $1,801,191; for the current year, that amount was $1,765,879. In that we represent the majority of tribally-controlled community colleges, i.e., institutions which serve a predominant racial/ethnic population that is Indian, we seriously question the 8% figure under the basic program going to predominantly Indian institutions. We know of four other two-year tribally established colleges outside of the Consortium. None of these receive Title III support. In the list of Basic Program Institutions for Academic Year 1977-78 (GAO, HRD-78-170, February 13, 1979), we have been able to identify three other non-tribally controlled institutions which are serving a predominantly Indian student body. These are Sheldon Jackson College, the College of Ganado and Bacone College. The total Title III funding to these three is $500,000. These amounts fall far short of the $4,198,115 which would be 8% of the 52,476,440 in the Basic Program for that year. The rest we assume goes to non-Indian institutions with Indian recruitment, Indian "studies", or special Indian student services program. If indeed, a goal of the program is to serve non-mainstream institutions, and also those representing predominantly racial/ethnic population clienteles, we would suggest a closer monitoring of the grants intended to serve Indian populations.

Another concern along these same lines deals with those problems endemic to Indian colleges and small rural colleges. Special criteria should be considered in making grants to these colleges in that geographic isolation, distance from supply centers, and inadequate travel systems are factors that severely affect costs.

Another specific concern centers of the rules and regulations' point system for institutional characteristics, specifically the awarding of points based on the average BEOG award per FTE student. Many of the students at the Indian colleges, while receiving a BEOG eligibility determination, receive scholarship assistance from the Bureau of Indian Affairs. Perhaps a change in the rules to allow for BEOG "eligibility" to be considered in assessing points, or the substitution of BIA grants for BEOG, would result in a more equitable system.

Finally, consistent with the concept of tribal sovereignty as outlined by treaty, Executive order and by Public Law 93-638, the Office of Education should make every effort to deal with tribes on a government to government basis. The Consortium colleges are tribally chartered institutions, and as such are legally authorized by their tribes. The provision for legal authorization should reflect the recognized right of Indian tribes to develop their own education programs, regardless of State authorization.

In conclusion, we would like to again express our support for the continuation of the Strengthening Developing Institutions Program and further to express our appreciation for this opportunity.

INSTITUTION	GRANT 1977-78	GRANT 1978-79	REQUEST 1979-80	BILATERAL ARRANGEMENT	ACCREDITATION STATUS
Navajo Community College-Tsaile	50,000	50,000	110,122		accredited (NCASC)
Navajo Community College-Shiprock	none	none	152,666		"
American Indian Higher Education Consortium	300,000	300,000	734,812	Navajo Community College	non-institution
Little Big Horn Community College	none	none	none	Miles Community College	extension courses
	$1,801,191	$1,769,879	$4,128,719		

INSTITUTION	GRANT 1977-78	GRANT 1978-79	REQUEST 1979-80	BILATERAL ARRANGEMENT	ACCREDITATION STATUS
American Indian Satellite C. C.	none	none	none	Northeast Technical Community College	extension center
Blackfeet Community College	$ 35,000	$ 35,000	$221,000	Flathead Valley Community College	extension courses pre-candidate
Cheyenne River Community College	93,434	89,603	207,963	Northern State College	extension courses pre-candidate
Dull Knife Community College	none	none	240,680	Miles Community College	extension courses pre-candidate
Fort Berthold Community College	242,000	228,845	461,906	Mary College	applicant for candidacy (NCASC)
Nehaka Sapa at D-Q University	none	none	none		accredited (WASC)
Inupiat University of the Arctic	none	none	none		candidate (NASC)
Little Hoop Community College	140,000	145,000	196,000	Lake Region Junior College	applicant for candidacy (NCASC)
Oglala Sioux Community College	223,115	220,717	356,133	Black Hills State College	candidate (NCASC)
Salish-Kootenai Community College	31,000	35,000	160,000	Flathead Valley Community College	extension courses pre-candidate
Sinte Gleska College	223,115	208,714	232,299	Black Hills State College	candidate (NCASC)
Sisseton-Wahpeton College Center	none	none	none	University of Minn. at Morris	extension center
Standing Rock Community College	250,000	243,000	548,680	Bismarck Junior College	candidate (NCASC)
Turtle Mountain Community College	210,527	210,000	445,458	North Dakota State University-Bottineau	candidate (NCASC)

STATEMENT BY RICHARD NICHOLS, DIRECTOR OF ACCREDITATION, AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

Mr. NICHOLS. Mr. Chairman, I would like to express my appreciation for being given this chance to testify on behalf of the American Indian Higher Education Consortium.

As you are aware, our consortium represents 16 tribally controlled community colleges in eight States around the country. These States range from Alaska to the Dakotas, Montana, Arizona, and New Mexico. The tribally controlled aspect of these colleges is very important.

These institutions were authorized and chartered by tribes, the tribes have used the title III program as a mechanism to extend the services of existing nearby colleges on to the reservations.

Ten of the AIHEC colleges receive title III funding. The amounts of the funding are appended to our statement.

These colleges represent a new dimension in the quest of American Indian tribes for more control over the elements affecting their everyday lives.

This is essential to the concept of self-determination which is exemplified in the preamble to Public Law 93-638, which was enacted "to provide maximum Indian participation in the Government and education of the Indian people; to provide for the full participation of Indian tribes in programs and services conducted by the Federal Government for Indians, and to encourage the development of human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities."

We appreciate the subcommittee's efforts in passing the Tribally Controlled Community College Assistance Act this past year. Hopefully, that act will allow us and our colleges to rely on title III more so for supplemental services as it is intended and less for what we have initially had to rely upon it, for which is basic support.

I would like to make several comments concerning various aspects of this strengthening developing institutions program. As previously mentioned, only 10 of our institutions receive title III funding. The amounts going to these 10, and including funding for the consortium office, totals to only $1,801,191. That is the amount we have identified as going to Indian institutions.

According to the GAO report, approximately 8 percent of the $52 million appropriated for the basic program went to Indian institutions, or institutions that serve a predominantly ethnic or racial population; that is, Indian.

We would recommend that there be a closer monitoring of the moneys going to Indian institutions. We feel that most of these moneys are going to non-Indian institutions. These may serve Indian students in the form of an Indian studies program, or an Indian services program, but these are not Indian institutions and thus do not reach as deep into the areas of greatest need. Along the same lines, there are certain problems that are encountered by our institutions that are endemic also to rural institutions.

We feel that special criteria should be considered in making grants to these colleges in that factors such as isolation, the distance from supply centers, and inadequate travel systems at Indian reservations, severely affect rising costs among our colleges.

Some members of the title III staff do not understand those immense distances and subsequent problems which are encountered by our institutions. We recommend that title III staff visit our institutions on a regular basis to more closely understand those types of factors.

Another concern deals with the BEOG award per FTE student point system criteria used in determining eligibility for title III assistance. This affects some of our institutions negatively in that while the institutions may be eligible for BEOG, or the students may be eligible for BEOG, they however rely primarily upon the Bureau of Indian Affairs scholarship assistance program. There is a concern among a lot of the Indian people in that we should consider the BIA scholarship assistance as basic support, and not as supplemental to BEOG, although that is the latest policy in the Bureau of Indian Affairs.

Finally, consistent with the concept of tribal sovereignty, we would feel that, as outlined by treaty, Executive order and by Public Law 93-638, that the title III program and the Office of Education should make every effort to deal with tribes on a government-to-government basis.

As I said before, the Consortium colleges are tribally chartered institutions and, as such, are legally authorized by their tribes. The eligibility provision for legal authorization as an institution of higher education should reflect the recognized right of Indian tribes to develop and determine their own education programs regardless of State authorization.

In conclusion, I would like to express our support for the continuation of the strengthening developing institutions program, and further, to express our appreciation for this opportunity.

I would like to answer any questions that you might have.

Mr. FORD. Thank you very much.

I think that the testimony which is being presented capsulizes as well as anything else in any comparable period of time the difficulty that the Office of Education has had in administering this program without more specific statutory and regulatory guidelines.

Each of the panelists makes a very strong case for adjustments in definitions and in the statement of purpose with respect to title III. That probably pretty well represents a large part of the problem that the Department has in making subjective decisions to meet these concerns.

In each instance we are talking about retailoring the purpose of title III to meet what each of you gentlemen perceives as a special need for a group within its society that you speak for here and elsewhere.

So what you really are opposed to is this basic question of whether title III should be a vehicle to expand into special concern for all of these matters.

I suppose that this is an appropriate time for me to mention that I observed in a recent issue of the Chronicle of Higher Education a quote from a Washington lobbyist who said that, "the Indian Community College Act was passed last year in spite of Bill Ford's opposition."

He has a lot to learn about how I opposed the bill. As the chairman of this subcommittee, I provided the resources for the members of the committee showing the most interest to develop that legislation. It was developed by the staff of this subcommittee, and every meeting that was called for the purpose of considering that legislation and for marking it up by the committee was called by this chairman who was in attendance making a quorum and expressing concern over the contents of that legislation.

I find it most unfortunate that as the chairman, or a member of a committee, expressing concern over the form legislation is taking is translated by people who ought to know better into opposition to the passage of the legislation.

There is very little education legislation on the books, or that has been on the books in the last 15 years that I have opposed in any way at all, and I have never opposed the passage from the committee of a complete piece of legislation, although I have participated in amendments.

But I think that you gentlemen are highlighting part of the concerns that I started to see last year when we considered that legislation.

Mr. Nichols, you speak of the distinction between a school serving Indian students and an Indian school.

I think that, to some degree, that parallels what Dr. Billingsley was saying about schools that serve black students, and then we come over to Mr. Rivera who goes a step further and talks about programs that are tailored with the specific concern for Hispanic conditions.

On the one end of the table we are being told that title III should be concerned about program contents within an institution that serves a particular group of people, and at the other end of the table, we are being told that the more important thing is the nature of the institution, and the preservation of the independence of that type of institution being more important in defining the purpose of title III.

I have no difficulty recognizing the validity of all of these suggestions, but I have to ask you gentlemen sitting together if you would give some time, after you leave here today, to writing a proposed piece of legislation that will meet these concerns and deal fairly with everyone because that is what we are trying to do. I would like to ask you to answer for us the question of whether title III should be used as a vehicle to meet all of these concerns, or if we should not consider, perhaps, new titles in the legislation, or strengthening other parts of the Higher Education Act to meet the concerns that are expressed here in discussing title III.

We are going to hear from the Department of Education later this morning perhaps in response to some of the criticisms that were delivered, particularly yesterday, but it is very apparent in these 2 days of hearings that this is an almost impossible program to administer in terms of the interested constituency being satisfied that there is fair play. Would that we were able to include some Solomon to administer this kind of program. We can't.

I think we may be asking whoever is to administer it from time to time for too much. For that reason, we ought to be considering, specifically, ways in which we can write, as a matter of public policy, a specific direction for whoever is administering this program, and how these resources are to be used.

It is very interesting to note that, unlike other programs, almost totally unique is the fact that, in the past 2 years, this program has been fully funded by both the House and the Senate for whatever we authorized. No other program has that kind of a record, has it? But the kind of complaints that are shown in these last 2 days, concerns, rather, are with respect to the administration of it continuing throughout its life. Somehow, it seems to keep on going, and seems to be doing something.

Rather than asking you specific questions about your testimony, I would ask you gentlemen to respond to the two concerns that I have mentioned to you and, in a sympathetic way, attempt to give us guidance in how to meet the objectives that you are talking about, and really examine the alternative of using other legislation rather than title III to meet some of them.

Mr. Buchanan is not here.

Mr. Peyser?

Mr. **Peyser**. I have no questions, Mr. Chairman. Thank you.

Mr. **Ford**. Mr. Tauke?

Mr. **Tauke**. It appears to me, as the chairman has suggested, that you are really asking us to completely redirect what I, at least, perceive to be the original purpose of title III funds for developing institutions.

When there are so many programs that are designed to aid the low-income students—and I think that Mr. Billingsley said that virtually our whole effort is directed toward aiding low-income students—isn't it inappropriate to suggest that the one program that does seem to aid institutions that are struggling should be redirected to really taking into consideration not the state of the institution but, rather, the students that it serves?

Mr. **Billingsley**. Well, our view, Mr. Tauke, is that the original purpose, in our view, of title III should be enhanced and supported and strengthened.

We think that the new regulations do that by giving, for the first time, a fair definition of what a developing institution is.

But we also are concerned, with our associates and the other minority groups, that there is a real need in society to make sure that persons who have been disadvantaged, or left out, are brought into the mainstream, and we need, from time to time, to look at the mechanism to do that.

Our position is that it might be preferable to strengthen the initial purpose, broaden it somewhat to include some of the concerns expressed by the other groups, but not to make it a completely generalized program, but to keep it to the original purpose of strengthening institutions which have concern and the demonstrated capacity to bring these low-income students into the mainstream.

It would be unfortunate to scatter funds around too generously, but we also think that the concerns among the Hispanic group for targeting programs rather than institutions merit particular sensitivity for that class because they are not clustered in institutions as black students are. So there needs to be some sensitivity on the part of the committee on this point, but we think that the original purpose of strengthening and broadening the program a bit is appropriate so that you should resist the temptation to make it a more generalized student aid program.

Mr. Tauke. Would I be correct in saying that in setting up the criteria for the determination of whether or not an institution is developing, you would suggest that we look primarily at the makeup of the student body rather than at the strength, the volumes of the library, the facilities which are available, and the financial resources of the institution?

Mr. Billingsley. We would like to look at all of those factors. We would like to look primarily at the disadvantaged status of a large portion of their students, and the educational and general expenditures of the college which is to say their financial resources first, but we would also include those other resources that make it a viable institution for meeting the needs of students.

We would like to strengthen all of that, and we think the way to do that is to start to focus on the students, but then look at the institution's financial capability as was the intent of the original legislation.

Mr. Tauke. I see.

Dr. Rivera, in your presentation, as I understand it, you were asking for a 40-percent set-aside for community colleges, a 25-percent set-aside for your rural colleges, and a 25-percent set-aside for the retention of students, which is a 90-percent set-aside.

Mr. Rivera. That is right, sir. Exactly.

Mr. Tauke. Do you really want to hamstring the program to that degree?

Mr. Rivera. That seems, really, to be an innovative approach. [Laughter.]

Mr. Tauke. Dr. Billingsley said no set-asides.

Mr. Rivera. I know it is necessary for he and I to talk more in the future. [Laughter.]

Mr. Rivera. Our diverse population attends all kinds of institutions. They are very heterogeneous. We attend various colleges: Community colleges, public colleges, private colleges, 2-year colleges, 4-year colleges, or universities. We just simply have not had the benefit as other minorities who have their own institutions. Thus, we have a lot of catching up to do. I think that perhaps the focus should probably be on the student.

I think there is another underlying concern here which people sometimes do not wish to address. I think it is important to recognize that there may well be institutions in this country that perhaps should not survive. Some institutions may not have the curriculum, personnel or resources necessary for good management. It could have something to do with any number of variables.

I think what is most important is being able to turn out a good product; that is, a student, and turning out that product means ability to get a good education, be it at a 4-year rural college, a 2-year public college, or be it a university wherever that student happens to reside.

Mr. Tauke. Thank you. I might say in closing, that I think that all of you have brought some very important matters to the attention of the committee.

I am not certain that all of those problems ought to be solved through the title III programs.

I think that what you are asking for is a complete revision of the program. That my be something which ought to be considered, but I think it tends move away from the original intent of the program.

Thank you, Mr. Chairman.

Mr. Ford. Mr. Ratchford.

Mr. Ratchford. Mr. Chairman, I think it would be helpful to this committee if we could have a response in writing, from either the panel collectively or the individual members, to the criticisms that were directed toward us in the form of a GAO report which focused, not on the individual institutions or the commitment in this country to providing opportunities for minority or disadvantaged students, but on the management of the program.

Rather than eliciting a specific response, if, collectively, or individually, you could get to the committee your analysis of the GAO report, it would be helpful.

The GAO report would lead us to believe that the program is without direction, that the program is without management, and that the program is without accountability. I am concerned, as someone who has been sensitive in this area and supportive for 4 years at the State level for this type of program, that unless the specific allegations of the report are addressed, we run the danger of seeing title III not revised but eliminated. So I would appreciate your written responses as people who are living with the day-to-day aspects of the program because we have a tough judgment to make in a very difficult economic climate with respect to reauthorization—yes or no. Then, once that question is addressed, we must decide what form reauthorization will take.

So if you could, gentlemen, over the next several weeks, address yourselves to the GAO report, it would be most helpful because your testimony has been sensitive, your testimony has been thoughtful, and now we would like your thoughts as to how we can proceed with a strengthened program.

Mr. Billingsley. Yes.

Mr. Rivera. Yes, sir, I will.

Mr. Ford. I think it would be helpful also particularly, Mr. Rivera, if you would, in relation to our reconsideration of the TRIO programs during the hearings on title IV, take a look at the stated purposes of those programs, and see if there is not some appeal to that being a more appropriate approach to deal pragmatically with what you are talking about because some of the things in your statement that you would like to have done are stated in a statute, whether they appear that way or not, as the reasons for the programs.

Mr. Rivera. Yes, Mr. Chairman. We discuss that as a possibility. At this time, we feel that a cooperative effort from the way title III is structured now, supplemented by some of the types of resources that are made available through TRIO programs, may be an interesting combination. It would require a great deal of coordination, however, But I certainly will respond to your request.

Mr. Ford. Thank you very much.

I appreciate very much your help to the committee, and hope that you will be watching as we move through the other parts of the legislation, commenting on those as well.

At this time, I call Dr. Byron Causey, president of the Alexander City State Junior College, and chairman of the Council of Alabama Junior College Presidents, representing all of the Alabama rural community colleges.

Mr. Buchanan left for the full committee meeting where he has amendments to offer on the bill that is being marked up there at the moment. He will be back as soon as he gets a vote.

STATEMENT OF W. BYRON CAUSEY, CHAIRMAN, COUNCIL OF ALABAMA JUNIOR COLLEGE PRESIDENTS, AND PRESIDENT OF ALEXANDER CITY STATE JUNIOR COLLEGE

Mr. CAUSEY. Thank you, Mr. Chairman. I appreciate the opportunity to appear before you this morning and the other members of the committee.

I would like to make it a matter of record, that is, the appreciation of all of the higher education community in the great State of Alabama of the distinguished Congressman who happens to be the senior minority member on this committee.

As I mentioned to you earlier this morning, we know that there is some pressure—and I will state that—to entice Congressman Buchanan to change from postsecondary to elementary/secondary.

I want you to know, and I think that Congressman Buchanan already knows, that we in higher education in the State of Alabama will resist any such move with all the effort we can. We think that he is in the perfect place, and we know that he represents us well.

I submitted a brief written report.

Mr. FORD. Without objection, the statement submitted under the rules of the committee will be printed in full at this point in the record, and you may proceed to add to it, comment on it, and highlight, as you wish.

Mr. CAUSEY. Thank you, Mr. Chairman.

[The prepared statement of W. Byron Causey, chairman, Council of Alabama Junior College Presidents, and president of Alexander City State Junior College follows:]

Presentation to U.S. House of Representatives Education and Labor Committee

by

W. Byron Causey
Chairman, Council of Alabama Junior College Presidents
and
President of Alexander City State Junior College

Title III has been one of the most responsive institutional programs within the Higher Education Act. It has had a greater impact on the health of Alabama's two-year colleges than any other program. In the little over eight years that the public schools in Alabama have been eligible to participate in the Title III programs, 17 of the 19 that are currently eligible have participated in Title III activities. A total of over 16 million dollars has been received by the public two-year schools in Alabama.

The Title III program has been beneficial not only in Alabama, but in schools throughout the nation. It has allowed the schools to bring about improvements in instruction, administration, and student services--improvements that otherwise could not have been achieved. Title III is the only program in higher education that funds such broadly based activities. We in the two-year colleges very much appreciate being able to participate in this program and feel that without it, many currently funded activities would be severely limited on our campuses.

Currently there are many more schools making application to the program than can possibly be funded in the appropriation of 120 million dollars per year. We would like to see the authorization level be increased to be more consistent with the number of eligible applicants submitting high quality proposals.

Additionally, in the current legislation there is a 24% set-aside for two-year institutions. I would recommend that this set-aside be increased to represent a percent equivalent to the ratio of undergraduate students enrolled in two-year institutions as compared to students enrolled in four-year institutions. (32%)

Another recommendation that I would like to make has to do with the Advisory Council on Developing Institutions. The original legislation designates that the Advisory Council on Developing Institutions be established and consist of nine members. I would like to see that this council be increased in size to insure that proper regional representation is achieved and that the make-up continue to reflect the participation of the two-year colleges within the Title III Program.

Two-year colleges have benefitted greatly from the Title III Program. Improvements in instructional services, administrative services, and student services have been accomplished--and these all function to bring about better educational opportunities for students. It is my sincere hope that the Title III Program will continue and that the two-year colleges may be able to continue to reap the benefits of the program.

SUMMARY OF TITLE III PARTICIPATION IN 2-YR. COLLEGES IN ALABAMA

		1970	1971	1972	1973	1974	1975	1976	1977	1978	TOTAL
BIDP	ACSJC	$	$	$	$	$	$	$	$ 100,000	$ 98,000	$ 198,000
	Brewer St.							100,000	*175,000	171,000	446,000
	Enterprise**			100,000	150,000	225,000	250,000				725,000
	Gadsden St.***	100,000	125,000	125,000	150,000						500,000
	L.B.Wallace						100,000	150,000	*200,000		450,000
	Bishop	100,000	133,000	200,000	290,000	225,000	200,000	300,000	*400,000	390,000	2,148,000
	Sou.Union	214,000	200,000	225,000	225,000	200,000	275,000	200,000			1,539,000
	Lawson St.		125,000	240,000	245,000	250,000	300,000	225,000	*350,000	341,000	2,076,000
	N/W Ala.									75,000	75,000
	TOTALS	$414,000	$583,000	$890,000	$970,000	$ 900,000	$1,125,000	$ 975,000	$1,225,000	$1,075,000	$ 8,157,000
AIDP	Snead								$1,000,000		$ 1,000,000
	Enterprise							$1,400,000			1,400,000
	Gadsden					$ 850,000			$ 30,200	$ 710,000	1,590,200
	Jefferson St.						$1,600,000				1,600,000
	Calhoun St.					$ 720,000			$ 64,700	$ 800,000	1,584,700
	N/E Ala.							$1,000,000			1,000,000
	TOTALS					$1,570,000	$1,600,000	$2,401,000	$1,094.900	$1,510,000	$ 8,174,900

GRAND TOTAL $16,331,900

*Estimated Figures

**South Alabama Consortium
Alexander City State Jr. College
Faulkner State Jr. College
Patrick Henry State Jr. College
Geo. Wallace Community College, Dothan
Enterprise State Jr. College

***North Alabama Consortium
Alexander City State Jr. College
Gadsden State Jr. College
Jefferson State Jr. College
Lawson State Jr. College
Calhoun State Jr. College

17 of 19 eligible public 2-yr. schools have participated.

TITLE III, HIGHER EDUCATION ACT OF 1965
STRENGTHENING DEVELOPING INSTITUTIONS
BASIC INSTITUTIONAL DEVELOPMENT PROGRAM

COMPARATIVE DATA FOR FISCAL YEARS 1966 - 1977

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976*	1977
Funds Appropriated & Obligated (in thousands)	$ 5,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 33,850	$ 51,850	$ 51,850	$ 51,992	$ 52,000	$ 52,000	$52,000*
Funds Requested by Institutions (in thousands)	$ 32,250	$ 56,792	$113,925	$ 95,187	$ 86,434	$105,048	$143,000	$220,000	$198,000	$222,000	$196,000	$184,000
Number of Proposals Submitted	310	560	500	464	433	441	456	470	511	491	436	410
Number of Grantee Developing Inst.	(127)	(411)	(220)	(229)	(227)	(198)	(226)	(235)	(215)	(207)	(203)	(190)
Other Non-Grantee Participating Inst.	(31)	(55)	(148)	(186)	(215)	(307)	(330)	(232)	(139)	(230)	(232)	(229)
Total Developing Inst. Benefiting from Title III Funds	158	466	368	415	442	505	556	467	354	437	435	419
Assisting Institutions	66	168	131	142	156	151	185	181	162	141	163	168
Assisting Agencies & Businesses	9	53	28	47	51	53	101	134	170	118	166	149
National Teaching Fellowships Approved	263	1,514	727	655	649	541	635	354	524	461	362	
Professors Emeriti Awarded	--	--	--	--	56	64	73	45	59	48	38	
Geographical Representation of Grantees	38 States & D.C.	47 States Guam P.Rico D.C.	45 States Guam P.Rico V. Isl.	45 States Guam P.Rico V. Isl.	44 States Guam P.Rico V. Isl. D.C.	40 States P.Rico V. Isl. D.C.	43 States P.Rico V. Isl. D.C.	43 States P.Rico V. Isl. D.C.	47 States P.Rico V. Isl. D.C.	44 States P. Rico V. Isl. D.C.	44 States P.Rico V. Isl. D.C. Am. Samoa	46 States P.Rico V. Isl. Am.Samoa

*An additional $476,440 was received from OE reprogrammed money to make the new total obligated funds--- $52,476,440.

APPENDIX B

CURRENT LAW	SUGGESTED AMENDMENT OR SUBSTITUTE	RATIONALE/EXPLANATION
TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS AUTHORIZATION SEC. 301. (a) The Commissioner shall carry out a program of special assistance to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which are struggling for survival and are isolated from the main currents of academic life. (b) (1) For the purpose of carrying out this title, there are authorized to be appropriated $120,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to October 1, 1979. (2) Of the sums appropriated pursuant to this subsection for any fiscal year, 76 per centum shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year. (3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year. (20 U.S.C. 1051) Enacted June 23, 1972, P.L. 92-318, Title I, sec. 131(a), 86 Stat. 261; amended October 12, 1976, P.L. 94-482, Title I, Part C, sec. 111, 90 Stat. [illegible].	Change to $160,000,000 for fiscal years (2)(3) Increase setaside for two-year institutions from the current 24 percent to a percentage equivalent to the ratio of undergraduate students enrolled in two-year/four-year institutions.	Title III has been one of the most responsive institutional aid programs in the Higher Education Act. It has had a greater impact on the health of the state's two-year colleges than any other program. There is currently a need for more institutions to be able to participate. Under the current level of authorization, there are many eligible applicants with excellent proposals that are eliminated because of the level of funding. The current application procedure for Title III permits one and only one institution to receive funds. If the new legislation could include a provision for groups of institutions to act in concert with one another, there could be a much greater use and efficiency in serving currently enrolled students who have not previously received grants. Start-up resources may be necessary to really enhance an institution's capacity to develop and strengthen relationship.
USES OF FUNDS: COOPERATIVE ARRANGEMENTS, NATIONAL TEACHING FELLOWSHIP, AND PROFESSORS EMERITUS SEC. 304. (a) The Commissioner is authorized to make grants and awards in accordance with the provisions of this title, for the purpose of strengthening developing institutions. Such grants and awards shall be used solely for the purposes set forth in subsection (b). (b) Funds appropriated pursuant to section 301(b) shall be available for— (1) grants to institutions of higher education to pay part of the cost of planning, developing, and carrying out cooperative arrangements between developing institutions and other institutions of higher education, and between developing institutions and other organizations, agencies, and business entities, which show promise as effective measures for strengthening the academic program and the administrative capacity of developing institutions, including such projects and activities as— (A) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions, (B) faculty and administration improvement programs, utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means, (C) introduction of new curricula and curricular materials, (D) development and operation of cooperative education programs involving alternate periods of academic study and	(1) This is to include the development of an institution's capacity for seeking resources to improve its position in serving the state and community.	

Mr. CAUSEY. I suppose I am going to take a different tack than I heard yesterday, and that I heard, to a large extent, this morning. I am going to make several comments.

First of all, I think that title III, as currently constructed, is an excellent piece of legislation. I know that in the State of Alabama it is doing an outstanding job. It is the only program in all of higher education that we know of that we participate in that is directly responsive to the needs of the institution.

Listening to the people from GAO yesterday, I became quite concerned about some of their comments. I do not know that I have ever read a GAO report that was very complimentary about anything. [Laughter.]

It is very easy to find places where there are problems in a program that has $120 million in it. I even read where we have problems in some of our committees of Congress, and I know that these are honorable gentlemen at all times. Therefore, there are going to be some mistakes, but overall, the program as a whole, is an outstanding program. It is, and it is doing an outstanding job in the State of Alabama.

We are concerned about some things. We think also that there maybe needs to be a little more direction in terms of defining the developing institution. We realize that this is a relative factor.

I do not know of any institution in this country today that would consider itself fully developed because once it is fully developed, in effect, it needs to make no further changes. Even prestigious institutions like Harvard, Princeton, and Yale are today taking a look at redirecting some of their efforts.

This is the part that we believe that title III places such an important point.

As we bring in new people, new staffs, as we have new students coming in through this program, we have an opportunity to secure some funding so that we might bring these people along in the training program so that they may better understand the problems that most of our students have.

I would like to make a couple of very strong points. I agree with the gentlemen this morning. I think that there should be a greater set-aside for the 2-year colleges, and I would only ask that that set-aside be reflective of the percentage of students that are in 2-year institutions as compared with a total of the students in all of postsecondary education.

I believe that if you were to pick a figure, say, if you want to take the sum of 35 or 40 percent, I, frankly, would like the 40-percent figure better. [Laughter.]

The 2-year colleges, particularly in Alabama, offer a large number of students an opportunity to get ahead that would not otherwise have an opportunity.

The second largest group, or bloc of our students that come into the 2-year colleges in Alabama other than those coming directly out of high school, is through the GED test, the general educational development test route. These are adults. These are the people that need more help than anyone else. Usually, they are older. Usually, they have been out of school for a longer period of time. They face certain fears. They face other problems as they come back to school.

Through a program such as the funds that we are able to get in title III, we are able to offer enrichment programs, particularly in the fields of reading and math and science, the programs where most of the returning older students have problems.

Without a program such as title III, many of these students would not stand a good opportunity to succeed.

I happen to represent an institution that has the highest percentage of black students of any of the predominantly white schools in the State of Alabama.

Title III has helped us in that area in working with minority students, and in bringing them into the mainstream. We are finding that more and more and more black adults are coming back to school in our State today than would have been possible without title III. If it had not been for the ability that we have to develop such institutional research to ascertain beyond a shadow of a doubt the needs of these students, we would not be able to serve them. We would be developing, I suppose, as long as we are in business.

I hope that as you consider this new legislation, or the reauthorization, that you will consider this, and give very serious thought before any real, significant changes are made.

I was asked, and I served as a reader. I served this year as one of the public readers for the title III program. I had heard of all the horror stories of past readers.

I want to emphasize the fact that as far as I am concerned, the public reading process this year had as much integrity as any that I have ever participated in.

I know that we have the problems. We hear people talk about the problems they have with the public reading process when they come back into the office of title III people.

I want to publicly say that I have found the title III people to be extremely cooperative. They have been extremely helpful to us in every respect.

I would like to suggest, and I know that Dr. Morris Brown, when in starts looking for some new staff, and I really think he needs additional staff . . . I believe they have 24 people . . . I think he will give serious consideration to hiring people who have teaching and administrative experience in the 2-year college level. This, I believe, would give a greater appreciation of some of the problems that we face in the 2-year colleges.

Mr. Chairman, I just want to conclude by saying how much we appreciate your effort, and the effort of this committee in all of higher education but, in particular, in title III of the Higher Education Act. It gives us in Alabama a chance to offer our students the extras that they so badly need. Without title III funds, we would not be able to offer that type of help.

The distinguished Congressman from Alabama is back, and I want to say before him again how much we appreciate him.

I have already, Congressman, expressed my feelings about those elementary-secondary people trying to change over your major educational emphasis, and I want you to know right now that we are going to fight and resist that in every way we can.

Mr. Chairman, that concludes my statement. I will be submitting additional written comments.

One other thing: The new regulation that we are operating under has caused some concern among many of us.

I do not feel that the two guidelines which currently are being used are broadly reflective of the institution. It does concern us also that we have regulations, new regulations that are made a part of the law in effect without the law being changed.

We do hope that there will not be capricious changes in the regulations in future years, once we get them set, without the laws being changed.

Mr. **Ford**. Thank you very much.

The new regulations have not come up to us yet. I do not believe they have. Have they?

Mr. **Dwyer**. No.

Mr. **Ford**. So we have not had a chance to exercise any oversight with regard to them, but given the time frame within which we are working, it is entirely possible that we could deal with the contents of those regulations in a legislative way, and probably effectively adopt them or modify them, about as soon as it could be done by going the route of reviewing the regulations.

They have a lot of regulations down there to send up that we would just as soon not have, frankly.

Mr. **Causey**. We would just as soon not have them also, sir.

Mr. **Ford**. I meant that in a different way: not having them here in the time we have to consider this legislation.

We do appreciate your appearance.

I have one question. I have a listing of the 2-year colleges in Alabama. Are these all public?

Mr. **Causey**. Yes, sir. All of those are the public colleges. I did not list the private colleges.

Mr. **Ford**. What kind of State or local funding do you have for community colleges in Alabama? Is it through local taxation, or State?

Mr. **Causey**. No, sir. We are totally State supported.

The only funds that we have other than State funds, that is generated through local tuition, and our tuition is extremely low. It is $80 per quarter. We get approximately $1,100 from the State level, and $200 from local tuition. So it is approximately $1,400 per year to support the student. That is a rather low figure.

In Michigan, you do much better than that.

That is why, again, it is so important that we have such funding for the strengthening of the total of the institution as these funds that are provided through title III.

I do hope that when you start thinking about refunding title III that you will consider funds in the vicinity of somewhere in the neighborhood of $200 million, $250 million, or $260 million instead of $120 million.

Mr. **Ford**. That raises a problem that I hope we will have people consider through the whole of the consideration of this legislation.

After the passage of the Middle Income Assistance Act last year, I am afraid that we overimpressed people at the State level with additional Federal resources that will be coming to higher education, and they began coming back to me, and writing ways that legislative committees and state department committees and the Governor's committees were considering, and they were meeting during the recess anxiously trying to figure out how they could capture those Federal funds and reduce State and local effort.

We have not, in the past, concerned ourselves greatly with the maintenance-of-effort provisions in this type of legislation as we have in elementary and secondary where we have tried to tie in the funding very tightly to using Federal funds to supplement rather than supplant other resources.

The temptation in some States, as it is reported to us, is almost overwhelming to back off on State support for postsecondary education in something close to the proportions of whatever increases we make.

And looking at the potential of an increase which, I must say, is not very likely this year, but looking at the potential, as we go down the road, of the expansion of the program like title III, I would like you and your colleagues to give some thought to how, if we are able to expand on a program like this, we will be able to, at the same time, guarantee that it is going to get to you, and be on top of and not instead of other resources that you presently have.

Mr. CAUSEY. Mr. Chairman, I would like to comment next on student financial aid.

Many of us in the smaller rural colleges, if it were not for the title III funds to train our financial aid offices and, in some cases, staff partially financial aid offices, many of us in the smaller rural colleges would not be able to offer the resources to the students that really need them.

Title III is providing a significant amount of funding in that direct area which is directly beneficial to the student.

Mr. FORD. Thank you.

Mr. Buchanan.

Mr. BUCHANAN. Thank you, Mr. Chairman.

Mr. Causey, first, let me apologize. I have to confess that I did go downstairs where a markup is in progress. I had amendments to offer.

Mr. FORD. Did you win?

Mr. BUCHANAN. Actually, they protected me. They will let me come back, and I will get to offer them at a subsequent time, but I had to protect that privilege as best I could. It is a problem with which I am sure you are familiar.

Then let me express our pride in Alabama in your leadership. You represent institutions that, as you have said, are of vital importance to the people of our State.

I lived and worked for 5 years or so in a suburban community, the suburban city of Birmingham, which I represent, where the norm for young people in that community was to end their formal educational training with a high school diploma. Now in the community, with its system of junior colleges, 2-year colleges and technical schools developing greater attendence, the norm is for young people coming out of high school to go into that junior college, and join other people who are adult citizens of the community and others who come from all over the area to attend that large junior college. In many cases, they get final training heading them for some career opportunity, but it has also become a threshold, a conduit to 4-year universities. Many of them, having had their

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appetite whetted for higher education there, move on sometimes to the postgraduate level.

So I would just simply underline what you said about the role of institutions, like our institutions in our own State.

Mr. CAUSEY. Congressman, the greatest thing that has happened to the postsecondary education in the last 200 years is the community college system without doubt.

Mr. BUCHANAN. You have already given us your counsel. Notwithstanding the deficiencies of the proposed regulation, you think that we ought to proceed rather than risk further delay.

Mr. CAUSEY. I certainly do.

Mr. BUCHANAN. You have indicated that you feel the regulations are deficient. Are there other elements that ought to be considered that you would like to mention?

Mr. CAUSEY. I think that we need to consider the elements involved that give a total picture of the institution and that spell out as clearly as possible the intent of this type of money, this particular money to strengthen the total of the institution, the force of strengthening its different segments.

Mr. BUCHANAN. We had here in Washington last year a seminar of the local officials in my Congressional District. We asked the various departments and agencies to bring people in to enlighten the local officials about the Federal programs, and the ways in which they could work with the Federal Government and vice versa, and HEW sent over a regulation writer from Alabama. They said they sent him over to show that a regulation writer did not have two heads. Maybe he was the only one they had there, but I certainly understand your response.

Mr. CAUSEY. I think sometimes that they have four hands that they write with, though. [Laughter.]

Mr. BUCHANAN. Thank you, Mr. Chairman.

We are very proud of you, Doctor. We appreciate your participation in these hearings.

Mr. FORD. Dr. Causey moves me to make this observation: when we held hearings at the University of Alabama at the Birmingham campus last year on the piece of legislation that Mr. Buchanan and I are currently sponsoring, I was amazed to find that the representatives of business and of local political agencies and of institutions of higher education all started by testifying about which school in Michigan they had attended. [Laughter.]

Mr. CAUSEY. If it would be helpful, Congressman, I went for 2 weeks to the University of Michigan also. [Laughter.]

Mr. FORD. Well, right now the in thing is to be from the University of Michigan. Everybody in the States regard themselves as an honorary member of the alumni of the agricultural school known as Michigan State University.

Thank you.

Mr. BUCHANAN. You have shown such great restraint. I want to commend you because you mentioned Michigan State for the first time since the hearing started. I thought it was about time to acknowledge. [Laughter.]

Mr. FORD. I hope that they will come down and help us with our title IX problem.

Mr. Tauke.

Mr. TAUKE. No questions.

Mr. FORD. Thank you very much.

Mr. CAUSEY. Thank you very much, Mr. Chairman.

Mr. FORD. The next panel consists of the representatives of the Department of Health, Education, and Welfare: Mr. Wilbert A. Cheatham, who is Deputy Director for Program Review and Assistance, Office for Civil Rights, and Mr. Alfred Moyé, who is the Deputy Commissioner for Higher and Continuing Education in the Office of Education.

Without objection, the statements submitted for the record by both of these gentlemen will be included in full at this point in the record.

[The prepared statements of Wilbert A. Cheatham, Deputy Director for Program Review and Assistance, Office for Civil Rights, and Alfred Moyé, Deputy Commissioner for Higher and Continuing Education, Office of Education, Department of Health, Education, and Welfare, follow:]

Prepared Testimony Presented By Wilbert A. Cheatham, Deputy Director, Program Review and Assistance, Office for Civil Rights, Department of Health, Education, and Welfare

WILBERT A. (GUS) CHEATHAM

Date and Place of Birth	:	February 14, 1942, Dover, Delaware	
High School	:	Pine Forge Academy, Pine Forge, Pennsylvania, 1959	
College	:	Bachelor of Arts, Columbia Union College, Takoma, Maryland, 1965	
		Masters Degree in Social Work Administration at Howard University, Washington, D.C., 1968	
Employment	:	1966-70	Coordinator of Community Services, Federal Programs, Prince George's County Board of Education, Upper Marlboro, Maryland
		1971-77	Chief of Western Operations, Division of Compensatory Education, U.S. Office of Education
			Appointed Deputy Director of Office for Civil Rights, HEW, April 25, 1977, by Secretary Joseph A. Califano, Jr. As Deputy Director for Program Review and Assistance has responsibility for coordinating new civil rights compliance programs to be undertaken by each agency within HEW and for making civil rights objectives and enforcement an integral part of every grant, contract and program that HEW enforces.
Residence	:	Tantallon, Maryland	

Mr. Chairman and Members of the Subcommittee: I am Wilbert A. Cheatham, Deputy Director for Program Review and Assistance of the Office for Civil Rights (OCR) at HEW. I am pleased to be here today to represent David S. Tatel, Director of OCR, who is unable to be present. You have asked us to discuss the relationship between the Adams court order and Title III of the Higher Education Act.

I will begin with a brief background description of OCR's State higher education desegregation program and then discuss its relationship to Title III.

In 1969 and 1970, the Office for Civil Rights found that nine Southern and Border States* and the Commonwealth of Pennsylvania were operating higher education systems that continued to bear the vestiges of racial segregation in violation of Title VI of the Civil Rights Act of 1964. Title VI prohibits discrimination because of race, color, or national origin in federally assisted programs. These ten States were requested to submit plans to correct this violation. Although the States either refused to submit any plans or submitted unacceptable plans, the Department took no action to enforce the law at that time.

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* Arkansas, Florida, Oklahoma, North Carolina, Georgia, Virginia, Mississippi, Louisiana, and Maryland.

In 1970, the suit originally known as Adams v. Richardson was brought against the Department for failing to enforce Title VI in education, including elementary and secondary education as well as higher education. The suit was filed in U.S. District Court. In February 1973, the Adams litigation resulted in a ruling that required the Department to fulfill its statutory obligation to enforce Title VI in the ten State higher education systems. (Adams v. Richardson, 356 F. Supp. 92 (D.D.C. 1973)).

In 1974, the Department accepted desegregation plans from eight of the ten States and referred two States to the Department of Justice because of their refusal to submit acceptable plans.

In a Second Supplemental Order that was issued on April 1, 1977, as a result of a motion for further relief, the U.S. District Court invalidated the existing plans and ordered the Department to develop criteria for the desegregation of public higher education systems. The court ordered HEW to negotiate new plans within specified time frames. The criteria call for:

- strengthening the traditionally black institutions so that they will attract students of all races;

- desegregating student enrollment, including commitments to increase substantially the percentage of blacks attending traditionally white colleges and universities; and
- desegregating faculty, administrative staffs, nonacademic personnel, and governing boards, including commitments for increasing the number of black professors and the number of blacks on governing boards.

OCR has accepted desegregation plans from Arkansas, Oklahoma, Florida, Virginia, and Georgia. We are still hopeful of obtaining an acceptable plan from North Carolina.

In February 1978, the Department reissued the criteria to make them applicable to any State higher education system that was previously segregated by law and that continues to bear the vestiges of that segregation.

Starting in 1973, OCR initiated reviews in Delaware, Texas, and Alabama to determine if their State systems of higher education needed to adopt corrective action plans. Reviews have begun or will begin shortly in South Carolina, Kentucky, West Virginia, Missouri, and Ohio.

The Court required that the criteria take account of the "unique importance of black colleges," which today comprise only five percent of the nation's institutions of higher learning but which educate one-fourth of all black students in postsecondary education. Forty-nine percent of all baccalaureate degrees and twenty percent of all postgraduate degrees received by black Americans are awarded by historically black colleges.

This Administration is fully committed to strengthening the nation's black colleges. Earlier this month, the President directed each Department to join in this effort, and he designated Secretary Califano and his Special Assistant, Louis Martin, to lead this initiative.

Notwithstanding the President's directive, this Department has been involved in various ongoing efforts over the years to strengthen black colleges. This effort has taken on an added dimension now as the States with higher education desegregation plans seek additional funding to balance the inequities between their traditionally black and traditionally white institutions.

Although we can point to a few instances of successful teamwork, there is a general absence of coordination between the Department's civil rights enforcement programs and its grant-making programs. One of our more successful efforts has been with the Emergency School Assistance Act (ESAA) program. Although the Office of Education administers ESAA, the Office for Civil Rights handles the program's civil rights clearance process, which is required by the ESAA legislation.

Title III of the Higher Education Act of 1965 authorizes ".... a program of special assistance to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation." To be eligible for funds, institutions must be able to prove that they are "....for financial or other reasons, struggling for survival and are isolated from the main currents of academic life."

Title III is especially important to the desegregation of State systems of higher education because it is institution-based and because many of the institutions subject to State desegregation plans are eligible for funds under this title. The way these institutions develop is crucial to the successful implementation of the desegregation plans.

Within the last two years, we have made attempts to coordinate the administration of the Title III program with our civil rights objectives. The new Title III regulations contain a prohibition on funding for any program that will perpetuate segregation in a state that has a history of racial segregation in higher education.

W[illegible] are developing a procedure with the Office of Education to imple[illegible]t this requirement.

In addition to Title III, OCR's Office of Program Review and Assistance (OPRA), which I head, has been looking at other grant programs that can effect civil rights objectives. We are now developing a strategy to ensure that the Department's civil rights laws are effectively enforced. The culmination of this work will be a Department-wide pre-grant civil rights clearance procedure.

We are also looking at other higher education programs that we hope we will be able to use to coordinate our higher education desegregation efforts.

Although the transition from dual to unitary systems will cost money, the increased expenditures required in the short term will be more than offset in the long run by the longer term savings to be derived from converting to a unitary system.

The Department is committed to meeting its civil rights objectives through the desegregation of institutions of higher education and the removal of the last vestiges of dual systems. We have made some progress in meeting the needs of desegregating institutions, and the new Title III regulations reflect our efforts in this area. In connection with the reauthorization of the Higher Education Act of 1965, the Department is presently considering ways to assist higher education institutions in the desegregation process.

FOR RELEASE UPON DELIVERY

Statement by
Alfred L. Moye'
Deputy Commissioner
Bureau of Higher and Continuing Education
Office of Education
Department of Health, Education, and Welfare
Before the
Subcommittee on Postsecondary Education
Committee on Education and Labor
House of Representatives
Thursday, March 29, 1979

Dear Mr. Chairman:

It is a pleasure to meet with your subcommittee this morning to discuss the operation of Title III of the Higher Education Act of 1965, Strengthening Developing Institutions.

Title III of the Higher Education Act of 1965, the Strengthening Developing Institutions Program, was designed to strengthen the academic quality of colleges which are financially weak and are "isolated from the main currents of academic life." This Title was a reflection of the social context of higher education in the mid-1960's. Burgeoning college enrollments had overtaxed a system of programs, buildings, and facilities which could not expand quickly enough to meet the demand for higher education. Institutions responded by increasing class size and teaching loads, and by creating new academic programs and degree offerings, sometimes with more attention to quantity served than to quality delivered. Concerned by the unevenness of quality among institutions, President Johnson, in his education message of January, 1965, emphasized the need "to help small and less well-developed colleges improve their programs," and Commissioner Keppel testified that small colleges should be assisted to improve the quality of their educational offerings. Thus, there was clear recognition by the Federal government of the need to strengthen the curriculum, faculty, administration, and student services of institutions that were characterized by the law as "developing," and Title III was created.

The statute creating this program authorizes awards to be made for four core types of activities. Funds may be used for projects which increase administrative efficiency, such as designing management information systems or initiating an institutional research program. They may also be used for faculty development, including retraining or the upgrading of a faculty member's academic qualifications. Funds are also awarded for projects in curriculum improvement, such as developing new courses or redesigning an entire academic program. The fourth type of activity which the statute permits us to fund is the improvement of student services. Projects funded under this category include developmental learning programs, learning resource centers, and career exploration and placement services.

The program uses resource sharing and cooperative arrangements between the developing institution and a "mainstream" college or an agency, organization, or business entity which specializes in providing technical assistance to colleges. The law requires that each developing institution which receives an award have at least one such cooperative arrangement. Many of the institutions have two or more cooperative relationships with other institutions or agencies, and several of the developing institutions funded by Title III have formed consortia to pool their resources and to share the technical assistance received from cooperating agencies.

In 1973, the Developing Institutions Program was split administratively into the Basic and Advanced programs. The goals of the Basic Program were to attempt to strengthen the smaller, weaker institutions, in order to prepare them for participation in the Advanced Program. The Advanced Program awarded larger, multi-year grants to institutions which had participated in the Basic Program and were now prepared to focus on long-range development goals.

The funding history of Title III shows an initially small program of $5,000,000 in FY 1966. The next year, funding jumped to $30,000,000, and in succeeding years the program grew rapidly to its authorization ceiling of $120,000,000 between 1971 and 1978.

PROGRAM FUNDING HISTORY
(figures in thousands)

Fiscal Year	Authorization	Appropriation
1966	$55,000	$ 5,000
1967	30,000	30,000
1968	55,000	30,000
1969	35,000	30,000
1970	70,000	30,000
1971	91,000	33,850
1972	91,000	51,850
1973	120,000	87,350
1974	120,000	100,000
1975	120,000	110,000
1976	120,000	110,000
1977	120,000	110,000
1978	120,000	120,000
1979	120,000	120,000

For further detail on the statistical aspects of Title III, we have included Appendix A. Appendix B gives illustrations of several different types of projects under this Title.

Institutions which wish to receive Title III funds must pass a two-step application process. First, the institution must meet certain eligibility criteria before being permitted to submit an application for funding. All institutions must have been accredited for the five years preceding the year of application, except for institutions which are located on or near an Indian reservation or a substantial population of Native Americans, or those serving substantial numbers of Hispanic students. An institution must be a four year baccalaureate-granting college or a junior or community college in order to receive funds.

Through FY 1978, an institution's eligibility as a developing institution was evaluated on the basis of eight quantitative factors and three qualitative factors. Quantitative factors included full-time equivalent enrollment, percent of faculty with Masters degrees, average faculty salary, percent of students from low-income families, and several measures of institutional financial strength, among others. Qualitative factors included the retention rate of students and their rate of entrance into graduate school, the quality of an institution's administrative and professional personnel, and a measure of the institution's financial "vitality."

During Fiscal Year 1979, new regulations have been adopted which will consolidate the Basic and Advanced Programs into a single program, and will change the eligibility criteria. Because the eight quantitative and three qualitative criteria previously used were not successful in identifying institutions which the program was designed to strengthen, two new quantitative criteria will replace the old measures, resulting in a simpler and more clear-cut eligibility process.

An institution will be evaluated upon the size of its average Basic Educational Opportunity Grant (BEOG) award per full-time undergraduate enrollment. This criterion is a measure of the institution's service to low-income students, and is given double weight. The second criterion is the institution's cost per student in educational and general expenditures, which is a measure of the institution's financial health. The change in the eligibility criteria will not reduce the number of institutions eligible to apply for Title III funds, but the eligibility status of some individual institutions will change.

In order to ease the transition process between the former and the new regulations, all institutions which received Title III funds in FY 1978 are being permitted to apply in 1979 irrespective of their ability to meet the eligibility criteria. These institutions will compete equally with the institutions who did meet the eligibility criteria.

Once an institution has been found to meet the criteria for eligibility as a developing institution, it must then go through the competitive proposal review process. The institution submits a proposal which is evaluated by a panel of field readers. The field readers are persons knowledgeable about higher education in general and about developing institutions in particular, and include a cross section of ethnic and minority groups and geographic regions. The readers are selected from colleges and universities and from professional education agencies, assisting agencies and businesses, and include both faculty and administrators. Review teams are balanced in terms of the individuals' knowledge of and sensitivity to the needs of colleges serving low-income and minority students, knowledge of planning, management, and evaluation systems, familiarity with small college administration, and background in development of curriculum and new career programs. Field readers are asked to evaluate proposals against several specific criteria, among which are how the proposed project will serve the needs of the institution, and the extent to which the institution meets the needs of its constituents. Special institutional abilities to serve large percentages of disadvantaged students or to provide access to students otherwise unable to attend college are considered, as are exceptional educational programs. Proposals which will contribute to the long-term stability of the institution also receive careful consideration.

Proposals are ranked in order of the scores received during the review process, and funds are distributed on the basis of this ranking. Two year colleges, however, may receive not more than 24% of the program funds. In fiscal year 1978, program funds were distributed in the following manner:

	Basic	Advanced
Four Year Colleges	$39,520,000	$51,680,000
Two Year Colleges	12,480,000	16,320,000
Funds to Hispanic Institutions	3,612,000	2,274,000
Funds to Black Institutions	23,190,000	42,700,000
Funds to Native American Institutions	4,070,000	-0-

The awards data above demonstrate the commitment of the Office of Education, through the Title III program, to assist those institutions which offer access for substantial numbers of minority and disadvantaged students. Since the program's inception, nearly $850 million has been awarded to developing institutions to help them strengthen their academic programs, their student services, and the quality of their teaching and administrative personnel.

Although Title III funds have represented a small percentage of an institution's operating budget, funded projects have assisted these institutions in a number of ways. For example, a Title III grant enabled one liberal arts college to completely transform its traditional curriculum into a competency-based course of study. Many institutions use Title III funds to provide opportunities for cultural enrichment and basic skills development to their students. Still other Title III grantees have entered cooperative arrangements with larger "mainstream" colleges and universities to improve faculty qualifications and to increase their students' success in going on to graduate school. Other grantee institutions have used Title III funds to develop extensive personal, academic, and career counseling programs whose aim is to enable students to remain in college and to complete their degrees. The range of worthwhile activities from which these institutions have benefitted is broad, and Title III funds have enabled these institutions to better serve their students by providing quality education and specially designed support services while maintaining low tuition and increased access.

Many complex matters must be addressed in reauthorization of the Developing Institutions Program. The Office of Education is presently weighing several alternatives, and has received a substantial number of suggestions from outside organizations and agencies. The Department and the Administration will be providing you in the near future specific legislative recommendations for the Title III program.

Appendix A

STATISTICAL DATA ON TITLE III, STRENGTHENING DEVELOPING INSTITUTIONS

Title III, Strengthening Developing Institutions, Basic Institutional Development Program
P.L. 89-329, Higher Education Act of 1965 (as amended)
Division of Institutional Development

Title III is an institutional support program whose purpose is to strengthen developing colleges through funding programs in faculty growth, curriculum improvement, administrative development, and student services. Characteristically, the developing institutions are limited in their ability to attract students, to engage outstanding faculty, to offer diverse curricula and to acquire adequate financial resources. Grants are made to institutions to help them to overcome these handicaps and to develop the basic strengths needed to attain secure status and National visibility. The broad objectives of Title III enable an institution to build the firm foundation from which to launch a major effort in total development.

Of the annual appropriation, 76% is allotted to four-year, degree granting institutions and 24% to institutions with two-year programs. Awards are made on the basis of proposal merit. The National Advisory Council on Developing Institutions assists in the administration of the program. Assurances must be given that Federal funds will be used to supplement, not supplant institutional effort.

Under the Education Amendments of 1972, the five-year requirement for eligibility can be waived by the Commissioner for institutions located on or near an Indian reservation or a substantial population of Indians and/or other native Americans as such action will increase higher education for these minority groups. The Education Amendments of 1974 authorize the Commissioner to waive three years of the five-year eligibility requirement for institutions, if the Commissioner determines that such a waiver will substantially increase educational opportunities for Spanish-speaking people.

In FY 1973, the Title III program was divided into two areas: the Basic Institutional Development Program (BIDP) and the Advanced Institutional Development Program (AIDP). 1/

Funding ($ in thousands)	FISCAL YEAR									
	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Authorization 2/	0	$55,000	$30,000	$55,000	$35,000	$70,000	$91,000	$91,000	$120,000	$120,000
Appropriation 3/	0	5,000	30,000	30,000	30,000	30,000	33,850	51,850	4/51,850	51,992
Obligation 3/	0	5,000	30,000	30,000	30,000	30,000	33,850	51,850	4/51,850	51,992

1/ For information on the Advanced Institutional Development Program see page 5.

2/ Authorization is for both Basic and Advanced Program.

3/ Appropriation and Obligation is for Basic Program only.

4/ In addition, a supplemental appropriation of $35.5 million was passed to support those developing institutions with the greatest comparative degree of financial, academic, and institutional strength judged to be best able to absorb and use increased funds to move toward their institutional objectives in accordance with a carefully designed long-range institutional plan. During December, awards were made to 28 developing institutions under this element of the Title III program.

Title III, Strengthening Developing Institutions/Basic Institutional Development Program
Division of Institutional Development

Funding ($ in thousands)	FISCAL YEAR									
	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Authorization 1/	$120,000	$120,000	$120,000	$120,000						
Appropriation 2/	52,000	52,000	52,000	52,000						
Obligation 2/	52,000	52,000	3/ 52,476	52,000						

1/ Authorization is for both Basic and Advanced Program.

2/ This figure represents the portion alloted to the Basic Program from a total Title III appropriation of $110,000.

3/ An additional $476,440 was received from OE reprogrammed money to make the new total obligated funds - $52,476,440.

Title III, Strengthening Developing Institutions, Basic

OUTPUT MEASURES	FISCAL YEAR								
	1966	1967	1968	1969	1970	1971	1972	1973	1974
Amount of Program Funds Requested (in thousands)	$32,250	$56,792	$113,925	$95,187	$85,434	$105,048	$143,000	$220,000	$198,000
Number of Proposals Submitted	310	560	500	464	433	441	456	470	511
Number of Grantee Developing Institutions	127	411	220	229	227	198	226	235	215
Other Non-Grantee Participating Institutions	31	55	148	186	215	307	330	232	139
Total Developing Institutions Benefitting from Title III Funds	158	466	368	415	442	505	556	467	354
Number of Assisting Institutions, Agencies, and Businesses	75	221	159	189	207	204	286	315	341
Number of Teaching Fellowships Awarded									
Cooperative Arrangement	164	836	689	640	646	541	635	354	524
Unilateral Fellowships	99	678	38	15	3	0	0	0	0
Total	263	1,514	727	655	649	541	635	354	524
Number of Professors Emeriti Awarded	1/	1/	1/	1/	56	64	73	45	59
Amount of Program Funds Awarded to Black Colleges (in thousands)	$3,054	$12,269	$14,419	$15,828	$17,926	$19,842	$30,994	$30,658	$29,620
Amount of Program Funds Awarded to Spanish-Speaking Programs (in thousands)	2/	2/	2/	2/	2/	$1,613	$2,816	$3,556	$3,812
Amount of Program Funds Awarded for American Indian Programs (in thousands)	2/	2/	2/	2/	2/	$943	$1,970	$3,166	$3,517

1/ The Higher Education Amendments of 1968 added this component to the program. Awards were first made in FY 1970.

2/ Data on awards made to Spanish-speaking programs and American Indian programs were not collected before FY 1971.

Title III, Strengthening Developing Institutions, Basic

OUTPUT MEASURES	FISCAL YEAR								
	1975	1976	1977	1978	1979	1980	1981	1982	1983
Amount of Program Funds Requested (in thousands)	$222,000	$196,000	$184,000	$172,000					
Number of Proposals Submitted	491	431	410	415					
Number of Grantee Developing Institutions	207	203	190	238					
Other Non-Grantee Participating Institutions	230	232	229	2/					
Total Developing Institutions Benefitting from Title III Funds	437	435	419	2/					
Number of Assisting Institutions, Agencies, and Businesses	259	328	317	2/					
Number of Teaching Fellowships Awarded									
Cooperative Arrangement	461	362	1/	2/					
Unilateral Fellowships	0	0							
Total	461	362							
Number of Professors Emeriti Awarded	48	38	1/	2/					
Amount of Program Funds Awarded to Black Colleges (in thousands)	$26,815	$25,450	$25,397	$23,190					
Amount of Program Funds Awarded to Spanish-Speaking Programs (in thousands)	$4,336	$5,146	$4,861	$3,612					
Amount of Program Funds Awarded for American Indian Programs (in thousands)	$3,606	$4,231	$4,231	$4,070					

1/ Data not collected in 1977.
2/ Data not available at this time.

Title III, Strengthening Developing Institutions/Advanced Institutional Development Program 1/
P.L. 89-329, Higher Education Act of 1965 (as amended)
Division of Institutional Development

The Advanced Institutional Development Program (AIDP) provides assistance to developing institutions of higher education which are felt to be more advanced than those in the Basic Institutional Development Program. Multi-year (3-5) awards are made to promote innovative projects and special purpose programs, and to assist in the attainment of financial self-sufficiency in order to accelerate development among the relatively highly developed colleges.

The basic rationale underlying the AIDP was the belief that certain institutions could be accelerated in their developmental process by a significant, short-term infusion of funds. Thus, AIDP is more oriented toward the support of comprehensive institutional development than is the Basic Institutional Development Program, and emphasizes the institution's developing capabilities for comprehensive planning, institutional management, and evaluation.

Institutions may participate as direct grantees. Grants are awarded competitively to applicants on the basis of realistic long-range plans for development. Applications are reviewed by a group of professional consultants, drawn from the Nation's academic community, who are experts in their knowledge of the problems and needs of the developing institutions which Title III is designed to serve.

Funding ($'s in thousands)	FISCAL YEAR								
	1973	1974	1975	1976	1977	1978	1979	1980	1981
Authorization	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000			
Appropriation	87,350	100,000	110,000	110,000	110,000	120,000			
Allocation	35,500	48,000	58,000	58,000	58,000	68,000			
Obligation	35,500	48,000	58,000	58,000	58,000	68,000			

1/ In FY 1973, the Administration developed a new initiative to encourage the accelerated development of fewer institutions with larger grants than had been previously awarded. The Advanced Institutional Development Program was a result of this decision.

Title III, Strengthening Developing Institutions, Advanced

OUTPUT MEASURES	FISCAL YEAR						
	1973	1974	1975	1976	1977	1978	1979
Amount of Program Funds Requested (in thousands)	$336,554	$400,387	$318,997	$314,577	$281,374	$348,441	
Number of Developing Institutions Aided	28	36	61	32	89	54	
Amount of Program Funds Awarded to Black Colleges (in thousands)	$23,380	$29,075	$29,228	$29,130	$23,789	$42,700	
Amount Awarded to Spanish-Speaking Programs (in thousands)	$2,220	$3,620	$3,610	$1,200	$3,707	$2,2[illegible]4	
Amount Awarded to American Indian Programs (in thousands)	$791	-0-	$248	$161	$ 20	-0-	

Appendix B

EXAMPLES OF SUCCESSFUL TITLE III PROJECTS

Livingstone College, a private four-year predominantly Black institution in North Carolina, has used Title III funds to develop a Comprehensive Basic Skills Activity. The Basic Skills Activity is designed to improve the reading, writing, speaking and computation skills of entering freshman. The college concentrates on the Freshman year and part of the Sophomore year to build cognitive skills in order to strengthen academic programs and to provide a successful educational experience for low-income and minority students. The Basic Skills activity has enabled the college to reduce student attrition rates, revise teaching methodologies, revise the general education curriculum requirements, and improve student self concepts.

Greensboro Regional Consortium, includes three private liberal arts institutions, Greensboro College, Guilford College and Bennett College. The three colleges formed the consortium in 1968 and have sponsored the following types of activities: shared academic programs, curriculum development, faculty exchange, evaluation, student services, management planning and budgeting, library cooperation, and a joint summer school. The Consortium has been an effective arrangement for the three colleges to operate single programs in Music and Special Education. The greatest impact of Title III funding, however, has been in the area of administrative improvement. The National Association of College and University Business Officers model for planning and budgeting has been used on each campus. This has assisted each college in operating a balanced budget. In addition, an analysis of the cost of instruction on each campus has assisted in revising curricula and course offerings.

North Dakota State University-Bottineau Branch involvement with Title III resulted from cooperative planning with representatives of the Turtle Mountain Chippewa Tribe. The group granted authority to implement on-reservation higher education services incorporated by the Tribal Council as the Turtle Mountain Community College. To carry out this mandate, the Community College sought a bi-lateral arrangement with North Dakota State University-Bottineau whereby NDSU-Bottineau would provide the services, assisted by Turtle Mountain Community College and financed by Title III. The impact of the Turtle Mountain Enrichment Center, which was established as a result of this arrangement, has been multiple: (1) approximately 300 different Indian people who previously had no opportunity for higher education have successfully completed college courses; (2) a unique Indian/Reservation-Oriented academic program has been created; (3) a new resource for reservation development in the form of skilled and credentialled Indian professional educators available on the reservation on a day-to-day basis; and, (4) education programs can operate successfully on the reservation and still be responsive to their input.

Under the Advanced Institutional Development Program, Austin Peay State University, serves a fifteen county area in Middle Tennessee and Southern Kentucky, consisting mostly of small, agrarian communities of low-to-middle income families. Of particular note in its comprehensive program to strengthen the institution are a number of career and developmental education programs. These include: a career development program; a career business and professional program; a human services career program; and a developmental studies program which aims to increase the number of low-income students selecting pre-professional and career oriented courses and to improve basic academic skills. The latter program has been particularly successful; it offers individualized study in a laboratory or workshop format. Student demand for this program has gone far beyond expectations.

Mr. Ford. How would you like to proceed?

STATEMENT OF WILBERT A. CHEATHAM, DEPUTY DIRECTOR, PROGRAM REVIEW AND ASSISTANCE, OFFICE FOR CIVIL RIGHTS, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. CHEATHAM. Mr. Chairman, my name is Wilbert A. Cheatham. I am from the Office for Civil Rights of the Department of Health, Education, and Welfare.

My prepared statement is a brief one. I believe it puts into perspective the questions that you indicated you would like for us to address. So if you have no objection, I would like to go through that statement.

Mr. FORD. Please proceed.

Counsel has already observed in your vita that you are my neighbor.

Mr. CHEATHAM. I lived right off of Swan Creek Road. I noticed that this morning. I moved to Silver Spring. That was an oversight.

Mr. FORD. You do not like Tantallon any more. [Laughter.]

Mr. CHEATHAM. I loved that neighborhood. [Laughter.]

We will have to talk about my reason for moving at some other time.

Mr. FORD. Please proceed.

Mr. CHEATHAM. Thank you, Mr. Chairman.

I am accompanied this morning by Patricia S. Fleming who is the Director of Intergovernmental Affairs in the Office for Civil Rights, and Burton Taylor, the Director of the Division of Standards and Policy Development.

I am pleased to be here today to represent David S. Tatel, the Director of the Office for Civil Rights who is unable to be present today.

You have asked us to discuss the relationship between the Adams court order and title III of the Higher Education Act.

I will begin with a brief background description of the Office for Civil Rights' State higher education desegregation program, and then discuss its relationship to title III.

In 1969 and 1970, the Office for Civil Rights found that nine Southern and Border States and the Commonwealth of Pennsylvania were operating higher education systems that continued to bear the vestiges of racial segregation in violation of title VI of the Civil Rights Act of 1964.

Title VI prohibits discrimination because of race, color, or national origin in federally assisted programs.

These 10 States were requested to submit plans to correct this violation. Although the States either refused to submit any plans, or submitted unacceptable plans, the Department took no action to enforce that law at that time.

In 1970, the suit originally known as *Adams* v. *Richardson* was brought against the Department for failing to enforce title VI in education, including elementary and secondary education as well as higher education.

The suit was filed with the U.S. district court. In 1973, the Adams litigation resulted in a ruling that required the Department to fulfill its statutory obligation to enforce title VI in the 10 State higher education systems.

In 1974, the Department accepted desegregation plans from 8 of the 10 States, and referred 2 States to the Department of Justice because of their refusal to submit acceptable plans.

In a second supplemental order that was issued on April 1, 1977, as a result of a motion for further relief, the U.S. district court invalidated the existing plans, and ordered the Department to develop criteria for the desegreation of public higher education systems.

The court ordered HEW to negotiate new plans within specified time frames. The criteria called for strengthening the traditionally black institutions so that they will attract students of all races; desegregating student enrollment, including commitments to increase substantially the percentage of blacks attending traditionally white colleges and universities; and desegregating faculty, administrative staffs, nonacademic personnel and governing boards, including commitments for increasing the number of black professors and the number of blacks on governing boards.

The Office for Civil Rights has accepted desegregation plans from Arkansas, Oklahoma, Florida, Virginia, and Georgia. We are still hopeful of obtaining an acceptable plan from North Carolina.

In February 1978, the Department reissued the criteria to make them applicable to any State higher education system that was previously segregated by law, and that continues to bear the vestiges of that segregation.

Starting in 1973, the Office for Civil Rights initiated reviews in Delaware, Texas, and Alabama to determine if their State systems of higher education needed to adopt corrective action plans. The reviews have begun, or will begin shortly in South Carolina, Kentucky, West Virginia, Missouri, and Ohio.

The Court required that the criteria take account of the unique importance of black colleges which today comprise only 5 percent of the Nation's institutions of higher learning, but which educate one-fourth of all black students in postsecondary education.

Forty-nine percent of all baccalaureate degrees, and twenty percent of all postgraduate degrees received by black Americans are awarded by historically black colleges.

This administration is fully committed to strengthening the Nation's black colleges. Earlier this month, the President directed each Department to join in this effort, and he designated Secretary Califano and his Special Assistant, Louis Martin, to lead this initiative.

Notwithstanding the President's directive, this Department has been involved in various ongoing efforts, over the past years, to strengthen black colleges. This effort has taken on an added dimension now as the States with higher education desegregation plans seek additional funding to balance the inequities between their traditionally black and traditionally white institutions.

Although we can point to a few instances of successful teamwork, there is a general absence of coordination between the Department's civil rights enforcement programs and its grantmaking programs.

One of our more successful efforts has been with the Emergency School Assistance Act program. Although the Office of Education administers the Emergency School Assistance Act program, the Office for Civil Rights handles the program's civil rights clearance process which is required by the ESAA legislation.

Title III of the Higher Education Act of 1965 authorizes "* * * a program of special assistance to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation." To be eligible for funds, the institutions must be able to prove that they are "for financial or other reasons, struggling for survival, and are isolated from the main currents of academic life."

Title III is especially important to the desegregation of State systems of higher education because it is institution-based, and because many of the institutions subject to State desegregation plans are eligible for funds under this title.

The way these institutions develop is crucial to the successful implementation of the desegregation plans.

Within the last 2 years, we have made attempts to coordinate the administration of the title III program with our civil rights objectives.

The new title III regulations contain a prohibition on funding for any program that will perpetuate segregation in a State that has a history of racial segregation in higher education.

We are developing a procedure with the Office of Education to implement this requirement.

In addition to title III, the Office for Civil Rights has now established the Office of Program Review and Assistance, which I head, and has the responsibility for looking at all of the grant programs that can effect civil rights objectives.

We are now developing a strategy to insure that the Department's civil rights laws are effectively enforced. The culmination of this work will be a Departmentwide pregrant civil rights clearance proceure.

We are also looking at other higher education programs that we hope we will be able to use to coordinate our higher education desegregation efforts.

Although the transition from dual to unitary systems will cost money, the increased expenditures required in the short term will be more than offset in the long run by the longer term savings to be derived from converting to a unitary system.

The Department is committed to meeting its civil rights objectives through the desegregation of institutions of higher education, and the removal of the last vestiges of dual systems.

We have made some progress in meeting the needs of desegregating institutions, and the new title III regulations reflect our efforts in this area.

In connection with the reauthorization of the Higher Education Act of 1965, the Department is presently considering ways to assist higher education institutions in the desegregation process.

Mr. Chairman, that concludes my prepared remarks. I will pleased to respond to your questions.

Mr. FORD. I think we will proceed with Mr. Moyé's comments first, and then we will question both of you.

Mr. Moyé.

STATEMENT BY ALFRED L. MOYÉ, DEPUTY COMMISSIONER, BUREAU OF HIGHER AND CONTINUING EDUCATION, OFFICE OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Dr. MOYÉ. Thank you, Mr. Ford. I am pleased to be here this morning to discuss the title III program. Rather than review my prepared statement, I would like to respond to some of the questions that were raised in the previous testimony if that is okay with you.

Mr. FORD. I certainly hope you will.

Dr. MOYÉ. You heard extensive testimony yesterday from the GAO witnesses on their recently issued report on the program and on an earlier one completed in 1975.

For the record, let me clarify a few points. The assertion was made that the Office of Education had not been responsive to the 1975 report. In fact, we reviewed that report prior to the writing of the new regulations, and we have responded in several ways. To cite a few examples:

The report recommended that the criteria for eligibility be modified. This has been done in the new regulations.

The report recommended that the program require applicant institutions to state their goals in measurable terms. "Clearly stated objectives" are one of the criteria used during the proposal review process, and are published in the new regulations.

The suggestion was made that the monitoring of the program be improved by improving the system of site visits. A new system of site visitation has been instituted. In addition, a new site visitation guide, specifying clearly what information should be gathered, has been developed.

The report suggested that successful applicants be notified earlier. This is now being done through a new information tracking system.

It is also important to bear in mind that there are limitations in the scope of the GAO report.

The 1975 report studied only the basic program, and the case studies were done at only 10 institutions.

The 1978 report studied both the basic and advanced programs, but only 19 colleges were visited along with seven assisting agencies and three regional offices.

The new report reiterates the earlier one in stating that GAO could not "evaluate the success of the program because OE had not defined a 'developing institution', nor had it determined when an institution would be considered developed".

Let me make a couple of observations. Like yourself, Mr. Chairman, I have had occasion in recent months to go back and review the 1965 debate, and I do not find the record so clear as some present historians would have us believe. However, neither in the law itself nor in the debate do I find the notion that the program would develop institutions. Rather, I believe the emphasis was on strengthening institutions which we have defined as "developing".

The obvious intent of the original statute to improve the academic quality and services of the participating institutions, I believe, underlines that notion.

The GAO report cited the fact, as an implicit indictment, that 120 institutions had been in the program for 8 years. I do not know that that is necessarily a bad reflection on the program. I think it is quite possible that many smaller institutions, that we would all agree are making valuable contributions, may never be so strengthened that they could not use such assistance.

I would digress to say that I do not believe that the relatively small amounts of funding that have been awarded to institutions under title III are sufficient to bring fiscal stability to a struggling institution. I think that can only be accomplished by massive infusions of resources.

It is indeed possible, and I would hope, probable, that a better definition of a "developing institution" can be drafted. That will, however, require legislative amendment. I would hope that all of us can work together toward that end in the reauthorization process.

The GAO report states that: "OE's procedures for selecting institutions have been inconsistently applied and determinations have been subjective." As already noted, in response to that criticism, we produced new regulations which contain quantifiable factors.

The GAO, in response, criticizes the new regulations saying: "It seems to us that many institutions which are presently providing valuable services and are struggling for survival might be ruled ineligible for the program." As Congressman Weiss noted yesterday, you cannot have it both ways. If we are going to carefully quantify criteria, some institutions are not going to be able to meet them.

The report expressed alarm that field readers recommended funding levels that varied widely for the same application. That is absolutely true for the same reason that three movie critics will rarely be in total agreement in reviewing a new film. That is also why we employ more than one reader, and why all recommendations are reviewed.

In some instances, there are dangerous inaccuracies in the report. It states, for example, "that there is a funding strategy which sets standards for distributing funds among colleges representing the various ethnic and racial populations in American higher education." That is simply not true. There is no such strategy.

About half of the colleges funded in the past have not had a predominant ethnic minority. However, most of the colleges serving a substantial percentage of black, Spanish surname, or Native

American students will qualify under the quantitative criteria for the title III program. It has appeared to be the congressional intent to facilitate the participation of such institutions for in recent years education amendments waiving the 5-year accreditation requirements have been enacted for institutions serving Spanish surnamed, or native American students.

The last point I would like to make relative to the report is in reference to suggestions that the timing of the new regulation was carefully calculated to circumvent the GAO report. There was no such intrigue. The simple truth is much duller.

In fact, the regulations in large part respond to the report. As stated earlier, the first report had made many of the same recommendations. In addition, we had available to us a draft of the new report when we drafted the regulations.

Many of the problems discussed were ones with which we have been struggling for months and even years.

We believed that if the program were to be truly viable, it was incumbent upon us to act expeditiously or grants would not be awarded for the next fiscal year.

As you know, final regulations must be signed by the Secretary and transmitted to the Congress for review 45 calendar days before grants may be awarded.

Given that time frame, we knew that the Congress would also have had an opportunity to review the final report and reflect upon it.

Our underlying motivation was sheer desperation that the grants would get out. I think that the panels which you heard from yesterday underlined that necessity.

I would also like to make reference to the eloquent plea made by Congressman Williams in behalf of institutions in his State.

Needless to say, we do regret the 45-day delay in getting a response to him. At the same time, I must say that it is probably one of the rare occasions when I can say in total honesty that the delay was justifiable. His letter asked for the reconsideration of proposed regulations which had gone through the public comment period. We were evaluating all of the comments that had been received and reformulating our policies.

Mr. Williams stated that:

> The only concession that the Office of Education made, or even addressed, was extending its deadline for reapplication by participating schools which had not submitted applications under the new regulations.
>
> This concession, in fact, affected only seven institutions across the country.

He concludes that—

> the Office of Education in no way addressed our concerns about the disqualification of participating institutions under the new regulations, and did not even allow us the time to determine whether these dramatic changes would resolve, or exacerbate the problems identified by GAO.

Mr. Chairman, our response was much broader than that which is portrayed in that statement.

In fact, 131 institutions were affected. As a result of our decision to waive the eligibility requirements for 1978 grantees, those institutions are now eligible to participate in the funding process and that should alleviate Mr. Williams' concern about participating institutions being disqualified.

That is the end of my review of the comments. I would be glad to answer any questions you might have.

Mr. FORD. Thank you.

First, Dr. Moyé, as Chairman of this committee, I want you to know on the public record that we have found you and your administration as deputy commissioner to be cooperative in every way whenever we asked. It is a pleasant change, I might say, from others who have preceded you.

Dr. MOYÉ. Thank you, Mr. Chairman.

Mr. FORD. We have found it possible to work with you, and you have been responsive, as you have been this morning to the criticism of yesterday's hearing. I hope that you will continue to take advantage of the opportunity to maintain a dialog with the members of this committee and our staff so that we could profit from what appear to be the very positive attitudes that you have about what we should be doing in administering higher education programs.

I will go to the GAO report. I understand that counsel is checking something they said off the top of their head, or whether they actually had it on the report.

On page 27, to make a flat statement, in the second paragraph under the basic program—well, I guess you have to read the whole thing:

> Although the basic program staff used field recommendations as a guide, and 2-year institutions received at least 24 percent of program funding, final selections for grants varied greatly from the priority listing developed from a technical review of basic applications.

And then that is where they come up with this funding strategy.

> This was because OE followed a predetermined funding strategy for the basic program. This funding strategy sets standards for the distribution of program funds among colleges representing various ethnic and racial populations in American higher education.
>
> OE established the following standards for institutional support under the basic program;

And then they list:

> Black: 49 percent. White: 34. Hispanic: 9. Indian: 8.
>
> The funding strategies emphasized awarding grants to institutions previously funded under title III.
>
> In fiscal year 1977, OE predetermined that no more than 16 schools received the first time basic grants. These institutions had to serve primarily minority or disadvantaged students.
>
> As a result of the constraints imposed by the funding strategy, many subjective judgments entered into the selection process in the basic program.

Are you now telling us that the predetermined funding strategy was not, in fact, promulgated in 1977?

Dr. MOYÉ. I am saying that, sir.

Mr. FORD. It was not.

Dr. MOYÉ. It was not even thought of.

The way in which we award funds is as follows. I will use 1977 as an example because that was a very unusual year in the sense that $120 million was appropriated, and $500 million was requested of us.

We rank the proposals based on the field readers' comments, and we try to heed their recommendations as to the appropriate level of funding.

In 1977, it became quite clear that if we were to fund at the level of the field readers' recommendations, we would probably have funded only about two-thirds of the institutions that we eventually did fund.

We then made an administrative decision that we would try to help out as many institutions as we could, and, consequently, we reduced the funding levels which the field readers recommended. In most instances, we looked at the 1976 funding level as a guide to exactly what we could give that institution.

The only policy that we came up with was in regard to new institution.

We said that these institutions should have a chance to at least get some money and, in order to spread the funding around, we decided to fund the new institutions at no greater than the sum of $100,000 regardless of what the request was.

That was the only operating policy other than to look at the field readers' recommendations and the previous year's funding level, but that all came after we had read the proposals and certainly not before.

Mr. FORD. Well, there is not now in the current operation, in the program, a written or understood agreement with respect to this kind of a funding strategy?

Dr. MOYÉ. There is absolutely nothing like that at all.

Mr. FORD. Was there, or is there now a preference that dominates the awards for schools that have in the past been funded?

Dr. MOYÉ. Institutions that in the past have been funded?

Mr. FORD. Yes.

Dr. MOYÉ. There is no preference in the ranking at all because that is strictly done on the basis of scores that we have.

Now, in terms of Federal funding, I would have to turn to my colleague, Mr. Brown, to ask if there is any preference shown there.

It is my feeling that there is no preference even there. There are schools that have been in the program several years which end up getting less money than those which are relatively new to the program. I have seen no consistent preference shown in the year and a half that I have been working with this program.

Mr. FORD. That moves me into something else: Going back to the Administration's policy with respect to a couple of programs on which you worked last year.

Mr. Cheathum commented affirmatively on the greater degree of responsibility exercised in grantsmanship.

In ESAA, a policy that we adopted, the request of the administration last year was to, in effect, make it more difficult for a school district that had been receiving emergency school assistance money to be funded in the future.

I am very familiar with that because I had a serious quarrel with that after the years that it had taken us to successfully break loose a grant for the city of Detroit which was, in fact, under a massive program of desegregation pursuant to court order, and pursuant to actions taken by the Detroit Board of Education. The effect of the administration's original proposal would have to disqualify them simply because they had the money before.

We worked out what we thought was a compromise to let them do that in the future, but to protect programs that were right in the middle of doing something which we are still having difficulty with, I must say, because you have to have everything notarized when you make a deal with those folks over there.

The other policy that was kind of interesting that I reacted negatively toward was a similar one. For years, we had been developing bilingual programs, selling them on the idea that this was a transitional type of training necessary to mainstream non-English speaking children, but that, as a matter of fact, these had become maintenance programs, and were, in fact, viewed by some people as being cultural maintenance programs.

The very arbitrary proposal that they came up with was that all bilingual programs by the grantee would have a maximum life of 5 years.

We recognize that there was no way you could tell that 5 years was a maximum number, or know that a particular school district was, in 5 years, going to have a diminished flow of new children, the problem that this program was trying to reach.

Now, here we have, apparently, the policymakers in HEW recognizing a need if you are going to effect a change with these two programs to expand it to new applicants, which seems to fly in the face of a policy of giving preference to the maintenance of continuing grants when we get to this program.

What would happen if we took the administration's approach? I am not suggesting just examining it as a possibility of putting some sort of a time limit on the grants if not to cut them off, but to require that they would have to show a greater degree of need than simply the fact that they had been in existence.

Some start with the presumption that the program does something positively, and that after you have shared in this program for a period of time, you ought to make a very, very strong showing that you used the money to advantage, and need the money for a given period of time in the future to continue that advancement.

How would you react to that?

Dr. MOYÉ. I believe that the decision in 1973 to establish the advanced program was based on that concept. That is, an institution would be involved in the basic program for a while, and then move into the advanced program. In the advanced program it would receive a large grant for a period of 3 to 5 years which would enable it to graduate.

I think the record since 1973 illustrates that that cannot be done that simply. Institutions do not all of a sudden become self-sufficient because they have received money over that period of time.

Mr. FORD. If I understand you, GAO is saying, in the comments that I just read from their report, that you are really turning into a static maintenance program, and what you are saying is that since 1973, there has been an attempt to do quite the opposite of that. You have reservations about the success of that attempt but, nevertheless, that has been, in fact, the strategy.

Dr. MOYÉ. That is my interpretation of the strategy that has been used since 1973. I believe, though, that the colleges and universities which constitute the clientele of the title III program, those which have had a history of deprivation, and those with limited resources do not all of a sudden become developed. I think that that is an improper term to use here.

The Ford Foundation has had some success in helping institutions, but only when they have given extremely large grants, and have required matching. When they gave out small grants, $1 million or so, thinking they would help institutions, they found that that particular approach did not work.

One of the issues that we are going to struggle with during the reauthorization process is exactly how long an institution should receive funds, and for what purposes. My personal opinion is that many of these institutions that are truly struggling for survival are going to have to receive support, either through title III or some other sources, for a much longer period of time than this program has been in existence, which is 12 years.

Mr. FORD. Mr. Cheathum, on page 5 of your statement is the comment: "Title III is especially important to the desegregation of State systems of higher education * * *" I provide the emphasis "* * * because it is institution-based, and because many of the institutions subject to State desegregation plans are eligible for funds under this title."

A concern that is raised with some of us over the pending regulations is that the characteristics of the institution, as such, are substituted with the characteristics of the student body, the student population.

Yesterday, I asked the president of the Wayne County Community College in Detroit, which has approximately 20,000 students, if he had any reason to believe that 10 years from now, that institution, no matter what kind of development takes place, would be likely to be serving a different kind of population than the overwhelming number of students from low income backgrounds that are currently served.

His answer was that it was not likely that it would. So that when one looks at the proposed regulations against the immediate needs of that institution which is growing so very, very rapidly, and for which there is such a tremendous demand that it literally cannot accommodate the number of people who would like to attend it, one sees that there are much greater concerns down the road. So the formula that predicates eligibility on the size of the grants and the level of expenditure will provide the same kind of support now as it will 10 years from now. They need it now, and may not need the same kind of support 10 years from now, but if we adopt this approach of using the student body as the determining factor, the only way you will ever graduate is if you quit serving the kind of population you are now serving, and that, certainly, is not a desirable result.

Do you—I suppose, I should not ask you this because nobody can agree to anything. Over 50 people at OMB say it is OK. [Laughter.]

But I hope that you can see the concern that these regualtions begin to develop because, as you have heard, and I am sure you will hear again before we finish this morning, this is the only institutional program left.

We went through the history of Federal aid to education. The first big jump was the Land Grant College Act. The Morrill Act was institutional, and then we had for a number of years a variety of institutional approaches to supporting higher education.

The big swing of the pendulum back in the other direction was the GI bill in World War II that put the big bucks into the hands of students, giving them freedom of choice in terms of economics. Since that time, it has swung back again after Sputnik to a lot of institutional aid, but since the Higher Education Act of 1965, the overwhelming majority of our resources have been directed toward students, saying: Here is a packet of resources in the form of grants, loans, work study, and other assistance. Go find an institution that has the kind of educational package that you want.

It has been difficult, in recent years, to maintain any kind of institutional assistance. It may be even more difficult in reauthorization.

When we get to title VII, we will have some problems because the general attitude of the public, as reflected here in the House, I suspect, is that why should we be trying to put money into institutions when we probably have too many colleges anyhow.

The assumption readily grasped by, or jumped on, by people who read stories about the declining enrollment, and read the gross figures about the decrease in the number of people coming to higher education is that well, obviously, the need for all the institutions we have is diminishing.

Now, I do not think that many people on this subcommittee would subscribe to that because we have to deal with the realities of the fact that these gross figures do not distribute themselves, in any way, equally among the country, or among groups of our citizens, but there is concern that shifting the emphasis to the identity of the student body is going to lose for us the last remaining bastion of institutional direct aid.

How do we respond to that?

Dr. MOYE. Let me start by saying that we see the title III program and the institutional assistance it affords as being a complement to the student aid program in the sense that as students take the student aid dollars to the institutions of their choice, we are trying to make sure that the institutions are vital, and that students can receive a quality education once they get there.

I do not think it is so simple to separate institutional characteristics from the student characteristics when we begin to write the regulations.

Mr. FORD. I will agree with you that, as a matter of fact, when you look at the present situation, the methodology that you are selecting has a very high correlation between what will result, and what most of us think we want to have result. Part of the problem we are in now is that in 1965 and then later in 1972 when, really, there was a search to find all the mysterious legislative history that people cite with such great authority, one discovered that what people were doing was visualizing the conditions that then existed. If you look at the committee report in 1972 it was very clear that people at that time were talking about the traditional black colleges as a primary example of the kind of institution that this program should be headed for.

I think that may be part of the reason why people say to us that the law has always said this.

You quote from President Johnson's message of 1965. I have heard that referred to so many times that we went back to take a look, and were surprised that it did not say anything more than the language that ended up in the bill.

We tried to help small, struggling institutions stay alive and become more viable.

I would not like to see us get caught in a trap here. You say that the panel ahead of you was trying to solve these concerns by legislating so specifically that you cannot do the kind of job that you have been doing.

I must also observe that in 1965 there was so much confidence. The Commissioner of Education was actively lobbying with all effort to give them virtually unlimited authority, to give him, as an associate, an almost unlimited authorization. The discretion might have been a mistake. We went through a period of years when we gave virtually no authority, and tied up everything tightly, and that was swinging back the other way.

But the tendency in legislating has to react to the present circumstances more than to the vision of the future. If the concerns expressed here today and the concerns expressed by the GAO report which, apparently, has impressed a lot of people, result in our beginning to tie this program down tight, it will become another categorical sort of entitlement program with no flexibility for you or your successors who actually look at the real facts of life, and determine who needs what, when, and where the bucks will get the most back.

We have to trust somebody, as hard as it is, in the bureaucracy sometime. But the tendency, when people become upset with what appears to be the pattern of a bureaucracy's activity, is to tie them down. I hope that we can watch very carefully what is being developed with title III so that this does not become one of the places where we get so specific that we may be meeting the needs of the present conception of the problem at the expense of a viable program over a period of years.

Everyone, you will notice, is suggesting that we ought to spend more money in title III, even the most severe critics. In the present operation, we have all the problems, but you ought to double the amount of money. So, well, it is not realistic to expect that this year we can double it, or that sometime in the future, we are going to increase it. If it is a viable program, the question then is whether, when the additional resources come forth, you are going to be able to use them in a fashion in which you have been using them. You are on trial, in effect, for your predecessors' activities over the years and, for good or bad, there is a surprising degree of continuity in the way this program has been operated over the period of time. Maybe that is because of the tendency to continue funding the familiar institutions over a period of time, and the great tension that developed between the community colleges and the traditional black colleges. The community colleges have changed from being a prep school for 4-year colleges into an educational concept that goes to a broader population. That is relatively new. They are new on the scene, and growing like mushrooms all over the country, thank goodness, but there is no way you can tell people who are excited about the phenomenon that they are not developing institutions. This is where we really ought to put the emphasis, and that was the reason that that 76 percent back door set aside came in.

You notice now that there is a wide divergence between people who want additional set asides, people who want to increase set asides, and people who recognize that the set-aside game gets to be a little like a quota game. It looks good for a little while, but pretty soon you have to figure out who gets the vote, and who get the big chunk.

How do you feel about the effect of the existing set aside without regard as to whether it is high enough or low enough to suit the people, and your determination of the funding period and where you ought to spend the money?

Dr. **Moyé**. The set aside will be addressed in reauthorization.

Our recent experience this past year was that many of the community colleges in the advanced program did not get funded, not because the proposals were not acceptable, but because we simply ran out of money. And there was a marked discrepancy, I thought, between what we would have done with the set aside, and what we have to do.

We could not give more than 24 percent of the money to the community colleges so we ended up funding 4-year colleges, that did not rank as well as some community colleges. In this instance the set-aside worked against the community colleges.

Mr. **Ford**. Thank you.

Mr. Buchanan.

Mr. **Buchanan**. Thank you. Mr. Chairman.

Gentlemen, I could wish that on the Federal level we had sufficient funding not to have to make the kind of choices we have to make on this committee, and that you have to make in your decisions downtown.

But here you are under court order, among other things, to strengthen the traditionally black institutions so that they will attract students of all races.

Now obviously, you are going to make every effort to see that the States so strengthen these institutions.

What implications does this have in terms of your priorities, for example, in the decisions where you have a fair amount of freedom and, unless we change the law substantially, with title III? Does this impact on your title III decisions?

Dr. **Moyé**. It would have an impact on it in the following ways: Once an institution has been funded and would like to engage in an activity that would assist them to comply with the court order, we would permit them to alter their title III proposal in order to incorporate those activities. Perhaps it would require shifting money from one activity to another, but that would be permissible.

On the other hand, we would not fund activities that impede the desegregation process.

Mr. **Buchanan**. What about decisions pertaining to which institutions which, in fact, are funded. Would this impact upon those decisions?

Dr. **Moyé**. We are working right now with the Office for Civil Rights to see exactly how we wish to carry out the cooperative effort here, but off the top of my head and without an official position, I would say that the insititution would have had to qualify in the competitive process first before funding would go from title III to that institution.

We do not reach below the cut-off point to pick up an institution because the institution is itself in an Adams State.

Mr. **Buchanan**. Now, is the situation such that when you say "cut-off point", you mean that you make the basic decision as to which institution should be funded, and all above the cut-off point will be funded? Is that correct?

Dr. **Moyé**. That is right.

Mr. **Buchanan**. I just wonder if, in your decisions, particularly given the court order, there is any preference given to the traditional black institutions.

Dr. **Moyé**. Within the regulations, we do provide for those institutions. That is, an institution can score points under the criteria for service to low income students. So in the review process itself, an institution could get credit for being that kind of an institution.

Mr. **Buchanan**. Do you have any comments on this, Mr. Cheatham?

Mr. **Cheatham**. Just to say that in the procedure which is now being drafted, it is not a procedure that is intended to block funding to any particular institution.

We will only be looking at activities within a proposal that the Office of Education has said is otherwise approvable and that OE has the dollars to fund.

The review by the Office for Civil Rights will be solely for the purpose of identifying any activity that would be in direct opposition to something that the State has agreed to do in its desegregation plan, then we would ask the Office of Education not fund that activity.

However, we are not saying the institution would lose those dollars. If that activity is a half million dollar activity, they could adjust their proposal and find some other activity to fund that would be, hopefully, more supportive of the desegregation plan. We have not gotten to the point of working out the details of the review procedure.

We just say: Do not do something that is going to be thwarting of the plan.

Mr. **Buchanan**. On another subject, Dr. Moyé, many institutions have professional students whose budget is not tied to the overall budget of the institution, particularly the undergraduate student.

The public professional schools are funded as a separate line item in particular State budgets.

With the new regulations, do you plan only to consider the undergraduate students and the geographic characteristics of the institution?

Dr. **Moyé**. We are looking at the average basic grant which goes to undergraduates and at the total institutional resources as measured by average E. & G. expenditure.

Mr. **Buchanan**. Thank you, sir.

The new regulations allow activity under title III, but do not allow the funding of activities which impede desegregation.

Why not require title III grantees in Adam States to use their grants, at least to some extent, toward the achievement of desegregation, or what the court has ordered?

Dr. MOYÉ. That is more difficult for me to respond to in the sense that I think institutions are to indicate what their priorities are. I would hope that in our negotiations, in our work with OCR, we would help to point out to them that these priorities should mesh with the priorities in title III, and those in their State plans should mesh. I am not certain that they will absolutely be the same.

Mr. BUCHANAN. Now, the State plans themselves, it seems to me, are an indication of priorities to some extent. Would you agree with that?

Dr. MOYÉ. Yes, indeed.

Mr. BUCHANAN. Therefore, in the States where there may be this kind of problem, the effect of a proper sense of priorities might, it seems to me, or should include this element.

Dr. MOYÉ. I would think so. And from the colleges that I have talked with in the Adams States, one of their major concerns is whether or not they can use title III funds to help them, and I believe their priorities will show to be exactly the same as their State programs.

Mr. BUCHANAN. I do not mean to personally suggest that title III be turned into purely an enforcement procedure of the court order, but it does seem to me, in light of it, that this element could reasonably be a part of your evaluation.

Thank you.

Mr. FORD. Before calling on Mr. Tauke, I would like to observe—and we will have your reaction if this does not sound accurate to you—that what we are really getting at on the basis of the court action is the legally sanctioned dual system of public higher education that was in existence in a number of States. We are trying to get them to dismantle that system in terms of dismantling the duality, and while I cannot quarrel with that, my colleague says something about using this money for that purpose.

How do you keep the need for using State resources to comply with the constitutional requirements and provisions of title VI before them as an imperative if you give them Federal money instead?

Mr. CHEATHAM. Mr. Taylor will attempt that one.

Mr. TAYLOR. I think, Mr. Chairman, that we are departing from the point of an institution's eligibility to participate in the title III program notwithstanding their participation in the formerly racial segregated system.

Our concern is that the moneys be used consistent with the desegregation objectives.

Mr. FORD. If we followed the reasoning of using this as an incentive or as assistance to desegregation activities, then you have a new factor in determining eligibility.

You are suggesting that that might make an institution that is not truly a developing institution, in the general sense, but was a segregated institution eligible because of that illegal activity. Is that what you are saying?

Mr. TAYLOR. No, sir. That is not our intention.

We believe that these institutions will. Many of the institutions in the State systems with which we are dealing meet the definition of the title III program.

Mr. **Ford**. But your concern, from the civil rights point of view, is for a broader selection of schools, that the schools that were within any given State probably qualify for the title III program absent any civil rights consideration?

In other words, you want all of the schools in the State system to participate, in some fashion, in a statewide plan which may be funding 6 schools out of 12. And I thought you were suggesting that you would not want to have the other six schools become a part of title III just because the real problem was desegregation and not their developing character.

Mr. **Taylor**. Our concern would be that the six institutions that are otherwise eligible develop and implement programs under title III that are consistent with their desegregation responsibilities.

Mr. **Ford**. All right.

Mr. Tauke.

Mr. **Tauke**. Thank you, Mr. Chairman.

Dr. Moyé, I have a number of questions that I could ask today. Let me start with the criteria that has recently been established for determining eligibility for title III funds.

Why did you switch from, basically, an institutional criteria to student-related factors in determining whether or not an institution would be eligible?

Dr. **Moyé**. Let me start by indicating the basic concerns we had in addressing this issue.

We were trying to develop quantitative factors so that we could deal with eligibility more uniformly rather than having it totally subjective. But in determining what quantitative factors should be used, we had to go back to the law and try to determine what measures we could use to identify an institution that is struggling for survival, isolated from the mainstream, and has a desire and potential to make a substantial contribution to the higher education resources of the Nation.

We looked at many, many institutional factors. We wanted to come up with those factors that were quantifiable and verifiable.

During our development of the regulations, fifty-one different measures were examined, but the two we selected were found to be the most reliable.

You will recall in the old regulations there were eight factors. They included such things as full-time enrollment, the percentage of faculty with master's degrees and doctor's degrees; the percentage of students from low income backgrounds; the total BEOG expenditures, the number of volumes in the library, the average faculty salaries. There were eight quantitative factors. If you looked at them very carefully, you could see that one would be based on the other.

If you have a small student body, you would expect to have a small faculty, and you would expect to have a library that is in proportion to the size of the institution. That library, however, could have been a gift from a recently deceased minister and do little to build up the quality of the library, and yet the number of books could have influenced the final decision for the approval of the institution, or the eligibility of the institution. We are also not certain that the average faculty salaries measure the institution that well.

Many of those old factors just did not produce the results we wanted. We looked at the size of the institution, the geographic location, the students' eligibility index, the State or regional economic index, a host of other things.

We simply came to the conclusion that the best measures that we could really verify and quantify, were the two that we decided upon.

Mr. TAUKE. I can understand how they were easily verifiable.

Where, in the statute, do you find any relationship between student-related factors and the institutions that are supposedly being funded?

Dr. MOYÉ. We asked the same question. Going back to the statute, we asked what are the characteristics that make our institution a developing institution.

We said, number one, an institution that is struggling for survival; has few resources to spend on students. Why are those resources so small?

In some cases, the resources will be limited because there is not an adequate alumni contribution. In other cases, these institutions do not have the capability of releasing the faculty to do research and thus get other Government grants, or support from other sources.

Another of the reasons is that they are spending a large amount of money on kids who need remedial work, which is costly, kids who, after graduation, may not move up into the higher income brackets and, therefore, may not contribute very much to the institution.

When you put all of this together, you come back to the student factors. You find that they are very much a part of this. The institution has made a decision to serve a population that is not going to bring a lot of money into the institution.

Mr. BUCHANAN. Then if they decided to use these student characteristics, why are they entitled to the basic grants instead of looking at the total aid package of students?

Dr. MOYÉ. The basic grants are a measure. Let me complete that answer.

An institution which feels that the quantitative factors do not adequately describe it and which feels that even though it does not meet the scores on those two quantitative factors it is still struggling for survival, has the opportunity to write to the commissioner and indicate why it should be considered as a developing institution even though those quantitative factors have not been met.

We knew that we were not going to get an absolute measure. We allowed the flexibility for institutions to say: "Even though I do not have that high average basic grant award, these are the reasons why I should still be considered 'developing'."

Now, to go back to the basic grant data, we looked at various measures but found the basic grant data the most satisfactory measure of student need. It is need-based and the foundation of any student aid package. The total student aid package was not used because that more often reflects the differing costs between institutions than the relative need of the student body. The basic grant data is also verifiable.

Looking at the E. & G. criteria, there is some geographic influence, for example, Alaskan institutions find their E. & G. expenditures are out of proportion when compared with other institutions.

Mr. TAUKE. Just a minute. You are telling us that the reasons you selected these factors are because they are so easy to determine. You just plug them in, and then you put them on the scale.

Now you are telling me, on the other hand, we can use the BEOG factor to determine the eligibility of institutions. They still may go out, and, specifically, recruit them, so we can take into consideration other factors, and then come back and say, there is the urban area, there is the Alaskan factor, and something else can come into this, and then we go into the cost consideration. How helpful are these factors? You have got to keep looking at the other considerations.

Dr. MOYÉ. Our experience this year has been that not many institutions submitted a narrative requesting us to consider other factors.

The criteria do serve the bulk of the institutions. What we are simply saying is that there are going to be exceptions. We want to consider those exceptions but, on a broad basis, the criteria seem to be able to identify most of the institutions which are the program's clientele.

Mr. TAUKE. Excuse me. How do you determine that you are serving the bulk of the institutions? By whose judgment?

Dr. MOYÉ. By simply looking at the number of institutions that meet the criteria versus those that request special consideration by the Commissioner.

Mr. TAUKE. Do all of the institutions that meet the criteria receive some sort of aid?

Dr. MOYÉ. Absolutely not. The eligibility criteria qualify you to submit a proposal. You still have to go through the proper review process, and be rated upon program priorities and other criteria that we establish for funding.

Mr. TAUKE. OK. Once they have gone through that process to these other factors, then they are taken into consideration in reviewing the program.

Dr. MOYÉ. No, the moment the institution has been determined to be eligible those factors are discarded.

Mr. TAUKE. As I understand it, several Members, last December, wrote to Secretary Califano and others at the Office of Education, requesting that the proposals for the fiscal year 1979 grantees be considered on the old regulations instead of the new ones.

Apparently, the Office of Education ignored that request even though the regulations had not even been finalized, and they were only in the proposed stage.

Now, whenever these regulations are published, I understand that the Congress will have 45 days to consider them.

Don't you feel that the Office of Education has, in a sense, forced Congress to maybe go a little too far with schools, to disapprove them? You say that it would take them 10 months to consider all of the fiscal year 1979 program proposals. So this leaves us only one option. We have to approve the regulations in order to prevent the delay of the processing of any of these grants.

Why does the Office of Education try to put Congress in a box like this?

Dr. MOYÉ. The development of the regulations was a process that involved a great many people from the outset. I have personally been involved in briefings on the Hill. I have been involved in briefings with the higher education community.

All along the way we indicated to them the direction we were going to take.

When we got to December, we were, I would say, literally at the point of no return in the regulation process. If we had then decided not to use the new regulations, we would have crippled many institutions because the money would not have gotten out in time.

Mr. TAUKE. Try again.

Dr. MOYÉ. If we had, in December, decided not to receive proposals or award grants based on the proposed regulations and had reverted to the previous regulations, the ones that were used in 1978, we would have delayed the process so much that the institutions would not have received their grants in time.

The whole process of getting new applications printed and distributed, the whole bureaucratic process would have meant extensive delays. New proposal dates would have had to be issued. In short, it would have been a mess.

I had our people outline for me what the time frame would be if we abandoned the new regulations. It would have delayed the awarding of the grants until September or October. That is too late for institutions——

Mr. TAUKE. Excuse me.

I do not understand why the evaluation dates in the old regulations would have caused this kind of delay.

Dr. MOYÉ. The time frame is mind boggling. The application had expired and would have to be renewed.

Mr. TAUKE. How about the proposed regulations that have not been approved by Congress? Everything is taking place under those? How do we get that?

Dr. MOYÉ. We made the assumption, that if we kept interested individuals to whom this would be a great concern informed of what we were doing and shared with them what was being developed, we would end up with a set of regulations that our constituents would be pleased with.

I have met on a monthly basis with the higher education community just to talk about the direction that we were going in, and what options were being considered.

We did not, at any point along the way, encounter any major resistance to what we were planning.

Mr. BUCHANAN. I need to say something.

Mr. TAUKE. Surely.

Mr. BUCHANAN. As a ranking voter on this subcommittee, I have a mild interest to being a part of our official activity, possibly, to review this. With respect to the review of this, I have been intrigued as to who these individuals were. I, certainly, was not one of them.

Dr. MOYÉ. We dealt with the staff of the subcommittee in our briefings and in our reviews. We did not come directly to the Congressman himself, but to the staff members. We did have briefings with staff members of this committee.

Mr. TAUKE. You go by about this time every day.

Proceeding along the lines of these regulations, why did the Office of Education publish regulations for a program that was part of the reauthorization process just 3 months before the whole process would begin?

Dr. MOYÉ. For several reasons, sir. We are as concerned as the colleges and universities that this program be continued. We think it has done a lot of good.

One of the things that we were hoping would be accomplished through the rewriting of the regulations is resultant improved administration of the program so that we could, indeed, demonstrate that this program can be run properly.

The old regulations just did not permit that. The report that you have from GAO is critical of the program in a number of respects. The new regulations were developed to correct some of these deficiencies which the old regulations were totally inadequate to address.

We think the new regulations should be approved because they will allow improved administration of the program over previous years.

Mr. TAUKE. One certainly gets that impression, the sense of a power play.

It is true that you put out regulations before the GAO report comes out. Everybody has a chance to read it, offer suggestions, or you put them out without talking to any member, and some members of the Congress have a point, and then you publish them in such a way, and conduct the evaluation of the programs in such a way that we could not turn them down if we wanted to.

You know, I heard the explanations, but I am not very satisfied. I will begin to learn the ways.

Dr. MOYÉ. Let me make one comment.

We were working on these regulations long before we know about the GAO study which to my knowledge the Congress did not request, it was self initiated by the GAO. Once we got the draft of the report, we paid a great deal of attention to its recommendations. They were not simply brushed off.

Mr. BUCHANAN. Will you yield?

Mr. TAUKE. I will yield.

Mr. BUCHANAN. I have been informed that, while you met with the staff, at the time, you did not have information pertaining to the impact of the new regulations on the institutions themselves.

And then we had testimony yesterday that at the time of publication, you had yourselves no idea of the impact upon the institutions which might or might not qualify.

Dr. MOYÉ. That is partially correct, sir.

When I met with the staff, I indicated that we did not have precise information. I also suggested that we should judge the regulations on their merit, not solely on the basis of whether a particular institution is in or out.

We were sure that no particular set of institutions would be in or out, but the original estimates were based on limited data which could be misleading with respect to a particular institution.

Mr. **Buchanan**. You did not answer, as I understood the response to my complex question.

Why would it have been slower to process under the old regulations than under the new?

Dr. **Moyé**. You have to go back and start over again with an application approval process. You then have to publish a new closing date notice to tell the institutions when the closing date would be, and what regulations were being used.

When you start doing all of that, you just allow 30 days here and 30 days there, and it gets to be a nightmare. I have gone through that.

Mr. **Buchanan**. Bu[illegible] have to start in some way at the very beginning. At the ver[illegible]g, it seems to me, you would have begun with the existing regulations that had been approved by the Congress rather beginning with the proposed regulations.

Why, on the outset, in the 1979 year, did you not go ahead and use the old regulations while awaiting the decision of the Congress on the new regulations?

Dr. **Moyé**. We started out, sir, under operation common sense to rewrite the regulations. [Laughter.]

And that course having been chosen we began to rewrite the regulations. Initially, we were to have been on a very fast track since this was to have been a model effort.

Mr. **Ford**. Will you yield?

Mr. **Tauke**. Yes, I will.

Mr. **Ford**. I would like to note that I find that the majority and the minority counsel did participate in these discussions that Mr. Moyé has described representing the interest of the majority and the minority in the committee.

One consideration was getting the regulations out and moving so that there was a specific focus available for people who wanted to legislate the problem. So I do not know whether that may not have resurfaced the old 5-percent problem with proprietary schools.

You will recall that this was a nonexistent regulation that no more than 5 percent of the students of a proprietary school which participated in the BEOG could be considered special students, shorthand for nonhigh school graduates. It never did get put into a regulation. That never was put in a statute because there was so much trouble with the reaction. We just legislated the probability of such a rule completely out of existence as part of the Middle Income Student Assistance Act.

I am afraid that what is developing here is that same sort of reaction when you try to anticipate where the regulations will be in passing out the money.

The real problem here is not the merits of the regulation. The problem that had been present is that, apparently, a good many people have been sensitized by what they perceive to be, in the current year, a reshuffling of the money to the point where they are going to insist on some kind of legislative reaction.

I mentioned yesterday while you were in the room—I think you may have heard me—that what you should really have done was anticipate not only what the regulation was going to be, but what the regulation might be, and legislate the regulation and anticipate the future. [Laughter.]

It does present a problem for us to deal with in terms of redistributing money on the basis of regulations not yet submitted to the Congress which may never be adopted.

It is distribution of the money under the nonexistent regulations that causes the problem, not the merits of the regulation.

Mr. TAUKE. Very well stated, Mr. Chairman.

Regulations notwithstanding, I am concerned about a couple of other things and particularly about the success of the program, which, I guess, is why we are here.

There has been considerable discussion this morning about the fact that we really cannot say that developing institutions ever become developed, or graduate out of the program.

I had some concern with that argument, but I have more concern about the fact that, apparently, some institutions have moved backward, from advanced to basic. Could you explain how this happens?

Dr. MOYÉ. Institutions are permitted to apply to either program, advanced or basic. Some institutions have submitted applications for both programs. If they did not fare well in the advanced review, for example, they would hope for success in the basic review.

I should indicate that we administratively established basic and advanced programs. There is nothing in the law that talks about basic and advanced components. Consequently, there is nothing prohibiting the institutions that have previously received advanced program grants for example, from getting a basic program grant.

Mr. TAUKE. Would it not be fair to assume that if you had institutions considering the criteria, especially those that had used the basic program in the past, that eventually, if the program worked, they would move up the ladder?

Dr. MOYÉ. I do not like to measure the progress of institutions in that fashion.

There is continuing development and activity. As you know the law talks about funding efforts in four categories: In the areas of student services, faculty development, curriculum development, and administrative services. An institution may concentrate on student services for 6 years before it has something in place that it can really be proud of, and which will be of real service to students.

The institution may then concentrate on administrative improvement. At another time they may come back with a proposal for faculty development.

And I would reiterate that I think the emphasis in the law is on strengthening a set of institutions which we consider to be developing.

Nowhere in the law is there a statement about developing a set of institutions. The language speaks to strengthening these institutions.

I think that the administration of this program also emphasizes strengthening because, as I said earlier, if we were trying to develop institutions, we would not do it by giving $300,000 a year for 3 years, and expect that to develop an institution.

Mr. **Tauke**. It is a matter of semantics. Maybe it is strengthening them.

Why are they not becoming stronger?

Dr. **Moyé**. They may become stronger in certain areas, and need support in other areas.

Mr. **Tauke**. I really want to like this program. [Laughter.]

Many of my constituents want me to like the program. I am having some difficulty, though, with that.

Mr. **Williams**. Let me say first of all I appreciate your generosity in letting me, a nonmember of this committee, to be here today to share your interest in the matter.

Dr. Moyé, I have a couple of institutions at home that are wondering whether the extension of the time to receive applications means that those institutions which can now apply under the new extension are applying under the new formula or the old formula.

Dr. **Moyé**. All proposals are being judged on the same criteria from the regulations that were just published.

Mr. **Williams**. And these regulations changed the formula, then?

Dr. **Moyé**. The regulations do not change the formula—I'm sorry, let me go back. Are you referring to the regulations they used in 1978 versus the ones we published for this year?

Mr. **Williams**. Yes.

Dr. **Moyé**. The new regulations waive the eligibility criteria for institutions that were funded in fiscal year 1978. The proposals from those institutions will be judged along with all other applications on the basis of the funding criteria, which are separate from the criteria for eligibility.

Mr. **Williams**. All right, thank you. Now to meet the criteria for designation as a developing institution, included in the regulations issued on November 2, I'm quoting from the regulations:

> An institution must demonstrate that it is out of the main stream of academic life by reason of serving a student body with a particularly high percentage of students that are economically deprived.

Now, is that definition—is that the basis of the new proposed point system?

Dr. **Moyé**. The point system I assume you are referring to is the eligibility point system. We have said there are two factors that we're going to consider, basic grant data which is a measure of low-income status, and average E. & G. expenditure which is a measure of an instituton's fiscal wealth.

Mr. **Williams**. It is the Office of Education's position that it is the intent of the law to define title III institutions as institutions which, among other things, serve a particularly high number of economically deprived students.

Dr. **Moyé**. Yes, sir.

Mr. **Williams**. Can you show me the specific citation in Public Law 92-138 or the conference report that you used as a basis for that definition?

Dr. **Moyé**. We based that definition on a series of measures that we evaluated to try to determine what Congress meant by "struggling for survival and isolated from the mainstream".

Mr. **Williams**. Sir, you have to base it not on what we mean but on what we say. Senate Report No. 92-346 of August 3, 1971, includes the definition that you are basing it on. That definition reads thus:

> The term "developing institution" means an institution of higher education in any State which enrolls a significant proportion of students who may have had inadequate secondary school preparation or come from educationally, culturally or economically deprived backgrounds.

Now here is the point. That specific part of the definition was deleted from the conference report and appears nowhere in public law. If the Congress had intented to define title III insitutions this way, the language would not have been deleted. Nowhere in public law did we intend to define it that way.

So from that legislative history, it appears that you are not following the intent of Congress.

Dr. MOYÉ. Sir, I will repeat something I said earlier. That is, we tried to come up with classifiable characteristics that we could use in determining eligibility.

Mr. WILLIAMS. You have to follow the intent of Congress in doing that, though.

Dr. MOYÉ. We still ask ourselves the question, what characteristics of institutions would fall into the category of "isolated from the mainstream and struggling for survival."

Mr. WILLIAMS. Congress makes that definition.

Dr. MOYÉ. It is not spelled out in the law.

Mr. WILLIAMS. That is right, and you are making a legal definition which Congress refused to do.

Dr. MOYÉ. We still feel that we need to have measures that would help us to identify a developing institution. Most criticism of the program, such as is found in the GAO report, is directed at the lack of such criteria.

Mr. WILLIAMS. Let me ask you another question. In Public Law 92-318, an advisory council on developing institutions was established that among other things, assists the Commissioner in establishing priorities and criteria to be used in making grants under title III.

Did you or your people consult with the advisory council in this matter?

Dr. MOYÉ. We have not had a quorum for the advisory council since March of last year so it was impossible to do that. We had a meeting of that council on Monday and Tuesday of this week. It is the first time the council has had a quorum and could meet since last year.

Mr. WILLIAMS. It was clearly in my view the intent of Congress that that advisory council be just that. You have taken an action without accepting or apparently asking for any advice from that council.

One other point and question, Mr. Chairman. I understand that according to the scoring sheet for the designation of the title III developing institution, a 4-year private institution, for example, spending up to $960 per FTE in the expenditure point column receives 100 points. Is that accurate?

Dr. MOYÉ. I don't know the exact figure.

Mr. WILLIAMS. As I read it, a school expending up to $960 per FTE in the expenditure column receives 100 points. Now, I am far from an authority on educational costs around the country but let me tell you that in Montana, any private institution expending only $960 per student would, No. 1, lose their accreditation by the State accrediting unit and No. 2, go bankrupt.

Now surely the Office of Education must consider the costs in every State when they give as much as 100 points to those colleges that are expending less than it takes to provide a proper education to its students. You surely must audit every State to see what it costs so you can come up with a reasonable average cost.

Dr. MOYÉ. We have used the data that is collected here to come up with a table or scale that you have referred to. Indeed, we recognize that there will be regional differences in some cases. Again, interestingly our data indicated that the differences are not as great as we at first thought. The important point, however, is that the institutions still have the ability to indicate to the Commissioner why a particular factor does not adequately describe their circumstances and why they should still be considered developing, in spite of not meeting a specific criteria.

Institutions are not excluded because a particular factor does not fairly reflect their circumstances.

Mr. WILLIAMS. Secretary Califano seems to be developing a favorite term when he is talking about educational institutions. That is a good term. Viable, he talks about viable institutions. Any institution in Montana spending only $960 per FTE is not going to remain viable, not for 6 months. It is going to be out of business, and yet they have to do that in order to have a real shot at continuing to receive money under title III.

Dr. MOYÉ. They can still indicate to the Commissioner why their circumstances are quite different from the criteria published.

Mr. WILLIAMS. Thank you very much, Mr. Chairman.

Mr. FORD. Thank you. Mr. Buchanan has a couple of questions. The second bell is about to ring.

Mr. BUCHANAN. It has rung.

Mr. FORD. It is the Panama Canal vote and we're sitting in violation of the rules, I take it, the 5-minute rule.

Can you give them to him in writing?

Mr. BUCHANAN. Yes, Mr. Chairman, I have three questions that are urgent questions because they pertain to those institutions which have been grandfathered in. I'd really appreciate answers for the record, but I also need immediate answers to some basic questions about where they stand, being grandfathered in.

Mr. FORD. The Chair will ask you to respond to Mr. Buchanan's questions as quickly as possible.

Mr. BUCHANAN. You mean in writing?

Mr. FORD. Yes. Thank you. The committee will stand in recess until the next scheduled meeting.

[Whereupon, at 12:18 p.m., the committee was adjourned.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201
OFFICE OF THE SECRETARY

April 4, 1979

The Honorable John Buchanan
U.S. House of Representatives
Washington, D. C. 20515

Dear John:

Please find enclosed the answers to the questions you submitted for the Record during Dr. Moye's testimony on Title III, the Developing Institutions program before the Subcommittee on Postsecondary Education on March 29. We have tried to respond as specifically and briefly as possible. If you have any questions please have Bill or Jenny give me a call.

Sincerely,

William A. Blakey
Deputy Assistant Secretary
for Legislation (Education)

Enclosure

QUESTION

In response to much Congressional pressure, Secretary Califano, on February 23, issued a letter stating that he would "grandfather in" for eligibility all institutions that lost their eligibility under the proposed regulations, but were grantees under Title III last year. How many institutions were ineligible to compete under the proposed regulations, but received grants las year under the Title III program? How many of those ineligible institutions applied for FY 79 grants even though they were ineligible to compete under the proposed regulations?

ANSWER

No institution was ineligible to compete under the new Title III regulations, however, approximately 130 of the 600 institutions that have previously participated in the Developing Institutions programs may not reach the "cut off" score of 175 points based on the two quantitative eligibility factors (average BEOG award per FTE and average E&G per student). These institutions have the option, under the regulations, of submitting a narrative explaining why they are "struggling for survival" and "outside the mainstream", but do not meet the cut off point using the two quantitative factors in the regulation. If they submit this narrative with the necessary documentation, they may be able to establish their eligibility under the regulations. Sixty-three institutions which received grants in FY 78 and applied under the new criteria did not meet the eligibility cut-off score. In addition, sixty-eight of the 1978 grantee institutions did not apply. While we do not know in each case the reasons for not applying, we assume that in many instances the institutions had made a determination that they would not meet the new criteria.

QUESTION

There are some 60 institutions which are eligible to compete under the grandfather, which did not submit an application. OE will have to open the application process again. What is the time frame for submission of new applications? Will any grant announcements be made before all applications have been reviewed and processed?

ANSWER

Sixty-eight institutions which received awards in FY 78 and did not submit applications under the proposed regulations may elect to submit applications now that the eligibility criteria have been waived for them. The final regulations have been printed in the Federal Register of March 30. The regulations include a new closing date of April 30, for receipt of applications from those institutions. In short, applications must be postmarked on or before April 30. No grant announcements will or can be made before all applications have been reviewed and processed.

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QUESTION

The grant reading process for many of the FY 79 proposals is completed. Even if an institution is grandfathered in for eligibility, what assurances are there that their application will be evaluated on the same criteria as those who qualify under the proposed regulations. Have any grant award recommendations been made yet (preliminary)? If so, what percentage of the total appropriation has been "obligated"?

ANSWER

Institutions which have received a waiver of the eligibility criteria have total assurance that their applications will be evaluated on the same criteria as other institutions for only one set of funding criteria will be used. It is important to bear in mind the distinction between eligibility criteria and funding criteria. Institutions are determined eligible to participate on the basis of one set of criteria--eligibility criteria. Proposals submitted by these eligible institutions are then ranked on the basis of a totally different set of criteria--the funding criteria.

No grant award recommendations have yet been made--even preliminarily, and absolutely no funds has been obligated.

federal register

THURSDAY, NOVEMBER 2, 1978
PART II

THE NATIONAL ARCHIVES OF THE UNITED STATES 1934

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

STRENGTHENING DEVELOPING INSTITUTIONS PROGRAM

[4110-02-M]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

[45 CFR Part 169]

STRENGTHENING DEVELOPING INSTITUTIONS PROGRAM

AGENCY: Office of Education, HEW.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Comissioner of Education proposes to amend the regulations for the strengthening developing institutions program, title III of the Higher Education Act. The amendments reflect new policy that will improve the administration of the program. The regulations establish the rules under which the Commissioner of Education (1) determines whether an institution of higher education qualifies as a developing institution, and (2) selects those developing institutions that will be awarded title III assistance in a particular fiscal year.

DATES: Comments must be received on or before January 2, 1979. Public hearings will be held in Washington, D.C., on November 27, 1978; Bronx, N.Y., on November 30, 1978; New Orleans, La. on December 4, 1978; El Paso, Tex., on December 6, 1978; Los Angeles, Calif., on December 11, 1978; and St. Louis, Mo., on December 15, 1978; all beginning at 10 a.m.

ADDRESSES: Public hearings will be held in the following locations:

November 27, 1978—Washington, D.C., University of the District of Columbia, Van Ness Campus, Building 9-A05, 4200 Connecticut Avenue NW. Contact: Mrs. Emily Chisley, telephone 202-282-7424.

November 30, 1978—Bronx, N.Y., City University of New York, Hostos Community College, 475 Grand Concourse. Contact: Mr. Wiley Edgecombe, telephone 212-960-1008.

December 4, 1978—New Orleans, La., Xavier University, Student Center, Gold Room, 7325 Palmetto Street. Contact: Mr. Milton Granger, Jr., telephone 504-486-7411, extension 373.

December 6, 1978—El Paso, Tex., El Paso Community College, Gymnasium, 6601 Dyer Street. Contact: Mr. Phillip Welch, telephone 915-594-2180.

December 11, 1978—Los Angeles, Calif., Mount Saint Mary's College, Chalon Campus, 12001 Chalon Road. Contact: Sister Adrian Claire, telephone 213-476-2237, extension 267.

December 15, 1978—St. Louis, Mo., Harris Stowe College, Room 311, 3026 Laclede Street. Contact: Mrs. Mary K. Jones, telephone 314-532-3366.

Comments should be addressed to: Dr. Anita F. Allen, Division of Institutional Development, (Room 3038, Regional Office Building 3), 400 Maryland Avenue SW., Washington, D.C. 20202.

Comments received will be available for inspection at this same address between the hours of 8:30 a.m. and 4 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT:

Dr. Anita F. Allen, telephone 202-245-9754.

SUPPLEMENTARY INFORMATION:

BACKGROUND

Under title III of the Higher Education Act of 1965, the Commissioner of Education assists developing institutions of higher education to strengthen their academic quality and administrative capacity. The strengthening developing institutions program has been funded since fiscal year 1966.

HIGHLIGHTS

These proposed regulations explain the purpose of the program and describe the characteristics the Commissioner looks for in determining whether an institution of higher education should be classified as developing.

Some of the eligibility characteristics which the Commissioner considers are as follows:

1. Whether an applicant institution has the desire and potential to make a special contribution to the higher educational resources of the Nation and whether it is making a reasonable effort to meet that objective.

2. Whether an applicant has taken steps to ensure its survival. If there is evidence of certain conditions that might be regarded as impediments to an institution's survival, the institution explains what it has done to improve those conditions.

The regulations describe in detail the types of awards that the Commissioner makes: Cooperative arrangement grants, national teaching fellowships, and professors emeritus grants.

There are two types of cooperative arrangements—bilateral and consortium. The regulations describe conditions that participants in a consortium must meet. They explain how the duration of cooperative arrangement grants may vary from 1 to 5 years, depending on the type of activity for which an applicant requests Federal assistance.

The regulations specify: (a) Activities for which an institution may request Federal funds;

(b) Priorities of the program; and

(c) Costs to which the institution may apply title III assistance.

SELECTION

The regulations also describe the methods the Commissioner applies in determining whether a developing institution should receive Federal financial assistance. The fact that an institution is classified as developing does not automatically entitle it to assistance.

The regulations describe how successful applicants are selected for awards by:

Explaining the Commissioner's use of review panels to examine applications and recommend ratings to the Commissioner;

Listing application review criteria and indicating the maximum number of points that may be awarded for each criterion, according to the relative importance of that criterion as determined by the Commissioner;

Describing how certain applicants are selected for further consideration after initial screening procedures;

Listing additional criteria, with respective maximum points, in rating those applicants' relationship to program priorities; and

Describing methods for overall ranking and final selection.

CHANGES

These proposed regulations introduce certain changes from previous regulations governing this program.

In specifying the characteristics the Commissioner looks for to determine whether an institution of higher education should be classified as developing, the proposed regulations include two quantitative criteria on which an applicant institution is ranked:

(a) Average educational and general (E&G) expenditures per full-time-equivalent (FTE) students; and

(b) Average basic education opportunity grant (BEOG) award per FTE undergraduate student.

In another change, the proposed regulations require an institution seeking designation to demonstrate that it is making a constructive effort to strengthen itself.

These proposed regulations establish a single program—rather than the previous two separate programs—under title III. The single program concept recognizes the infinite variety of strengths and weaknesses of institutions. Thus, each applicant may request funds based on its respective needs. The focus of the activities for which an applicant seeks Federal financial assistance determines the size and duration of the grant for which the Commissioner may consider that applicant.

The use of weighted selection criteria and specification of how applications will be ranked is new in these regulations. This will permit more objective grantee selection. The proposed regulations identify the factors used in evaluating the quality of each application and establish the maximum number of points that the Commissioner may award each factor. By providing greater weights for higher priority purposes, the proposed regulations will also encourage an applicant institution to focus on the achievement of program goals.

Other than an assisting agency or institution, each institution participating as an applicant in a consortium under this program must be a developing institution as defined in these regulations.

In the section on funding limitations, the proposed regulations address the relationship between title III funding and policies related to the decree in the *Adams* v. *Califano* case, not previously addressed by regulations.

Dated: August 28, 1978.

JOHN ELLIS,
Acting U.S. Commissioner of Education.

Approved: October 18, 1978.

JOSEPH A. CALIFANO, Jr.,
Secretary of Health, Education, and Welfare.

(Catalog of Federal Domestic Assistance No. 13.454, Strengthening Developing Institutions.)

Part 169 of title 45 of the Code of Federal Regulations is amended to read as follows:

PART 169—STRENGTHENING DEVELOPING INSTITUTIONS

Subpart A—General Information

Sec.
169.1 Program and regulation purposes.
169.2 Definitions.
169.3 Allocation of funds between 2-year and 4-year institutions.
169.4 Funding limitations.
169.5 General provisions regulations.

Subpart B—Criteria for Designation as a Developing Institution

169.11 General rules.
169.12 Designation as a developing institution.
169.13 Eligible institutions of higher education.
169.14 Legal authorization for education program.
169.15 Accreditation status.
169.16 Five year requirement.
169.17 Struggling for survival and isolated from the main currents of academic life.
169.18 Desire, potential, and reasonable effort.

Subpart C—Types of Awards

169.21 Introduction.
169.22 Cooperative arrangements.
169.23 National teaching fellowship grant.
169.24 Professors emeritus grant.

Subpart D—Scope and Duration of Grants for Cooperative Arrangements

169.31 Allowable activities.
169.32 Allowable costs.
169.33 Duration of cooperative arrangement grants.

Subpart E—Application Procedures

169.41 Submission of applications.

Subpart F—Grantee Selection

169.51 Introduction.
169.52 Application review criteria and use of review panels.
169.53 Rating for program priorities.
169.54 Overall ranking and selection.

AUTHORITY: Sec. 301-306 of title III of the Higher Education Act of 1965, as amended (20 U.S.C. 1051-1056), unless otherwise noted.

Subpart A—General Information

§ 169.1 Program and regulation purposes.

(a) Under the authority of title III of the Higher Education Act of 1965, the Commissioner assists selected higher education institutions to strengthen their academic quality, administrative capacity, and student services. These institutions are called developing institutions:

(1) They are struggling for survival.

(2) They are isolated from the main currents of academic life.

(3) They possess the desire and potential to make a substantial and distinctive contribution to the higher educational resources of the Nation.

(4) They are distinguished from other institutions of higher education by serving a significant number of economically deprived students.

(5) They are making a reasonable effort to improve the quality of their program.

(b) The purpose of the title III assistance is to further strengthen the capacity of the institutions to make a substantial contribution to American higher education by improving their:

(1) Academic program,

(2) Administrative and management capability,

(3) Student services, and

(4) Fiscal stability.

(c) The purpose of these regulations is to establish the rules under which the Commissioner determines whether an institution of higher education qualifies as an eligible developing institution and selects those developing institutions that will be awarded title III assistance in a particular fiscal year.

(20 U.S.C. 1051, et seq.)

§ 169.2 Definitions.

As used in this regulation:

"Academic year" means the period of the annual instructional session of an institution of higher education, such as two semesters, three quarters, or two trimesters.

"Act" means the Higher Education Act of 1965, as amended.

"Applicant" means an institution of higher education that applies for assistance under title III.

"Commissioner" means the U.S. Commissioner of Education or his designee.

"Institution of higher education" means an educational institution as defined in section 1201(a) of the Act.

"Public," as used to describe an institution of higher education, means under the control of a State or local governmental body.

"State" means any one of the States in the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Government of the Northern Mariana Islands.

(20 U.S.C. 1141(b).)

"Title III" means the strengthening developing institutions program as authorized under title III of the Act.

(20 U.S.C. 1051-1056.)

§ 169.3 Allocation of funds between 2-year and 4-year institutions.

The Commissioner allocates 76 percent of each fiscal year's appropriation for title III to institutions awarding bachelor's degrees and 24 percent to junior and community colleges.

(20 U.S.C. 1053(b).)

§ 169.4 Funding limitations.

(a)(1) No funds may be used under this part for activities that are inconsistent with the purpose of moving the grantee institution into the main currents of academic life.

(2) The Comissioner considers any activity that impedes the elimination of, or establishes segregated attendance patterns at that institution as inconsistent with the purpose stated in subparagraph (1).

(b) No funds may be used for activities, such as curriculum development or faculty improvement, that are inconsistent with a State plan for higher education applicable to that institution.

(c) Each developing institution receiving a title III grant shall assure that any activity funded under title III will not:

(1) Establish, increase, or impede the elimination of segregated attendance patterns at that institution, or

(2) Be inconsistent with a State plan for higher education applicable to that institution.

(20 U.S.C. 1051-1056.)

§ 169.5 General provisions regulations.

Assistance provided under this part is subject to applicable provisions contained in subchapter A of this chapter (relating to fiscal, administrative and other matters, except for the funding criteria).

(20 U.S.C. 1051-1056.)

Subpart B—Criteria for Designation as a Developing Institution

§ 169.11 General rules.

(a) To be considered for funding under title III an institution of higher education must be designated by the Commissioner as a "developing institution."

(b) An institution that is not designated as a developing institution is not eligible for title III assistance but may reapply for designation as a developing institution in a subsequent year.

(c) An institution shall submit a request for designation as a developing institution prior to submission of an application for funding under title III. Effective with application for fiscal year 1980 funds, the institution shall submit a request at least 8 weeks before the announced deadline date for receipt of applications.

(d) Designation of an institution as developing does not guarantee that the Commissioner funds the institution's application. The Commissioner decides whether to fund a developing institution's application for title III assistance on the basis of procedures set out in Subpart F, "Grantee Selection."

(e) The Commissioner reviews the status of an institution as a developing institution before awarding any title III funds to the institution and notifies the institution of the determination.

If the Commissioner determines that the institution is not a developing institution based on the criteria in this subpart, the Commissioner notifies the institution of the basis for the determination.

(20 U.S.C. 1051, 1052.)

§ 169.12 Designation as a developing institution.

The Commissioner designates an institution as a developing institution if it meets each of the following criteria.

(a) First an institution must:

(1) Be an eligible institution of higher education (§ 169.13);

(2) Provide an educational program authorized by the State in which it is located (§ 169.14);

(3) Have achieved appropriate accreditation status (§ 169.15); and

(4) Have met the requirements of paragraphs (2) and (3) for 5 consecutive years, including the year in which the institution seeks designation as a developing institution, unless the Commissioner has accorded it a waiver in order to increase higher educational opportunities for Indians or Spanish-speaking people. (§ 169.16)

(b) Second, an institution must document that, for financial or other reasons, it is struggling for survival, and it must show that it has taken deliberate and constructive steps over the past 3 years to strengthen its fiscal status. (§ 169.17)

(c) Third, an institution must demonstrate that it is out of the main currents of academic life by reason of serving a student body with a particularly high percentage of students who are economically deprived. (§ 169.17)

(d) Fourth, an institution must have the desire and potential to make a substantial and distinctive contribution to the higher educational resources of the Nation. The institution's mission and goals must clearly reflect that desire. The institution must also be making a resonable effort to meet its mission and accomplish its goals through activities carried out over the past 3 years to improve the quality of: (1) Its instruction, (2) its management and administration, (3) its instructional and administrative staffs, and (4) its student services. (§ 169.18)

(20 U.S.C. 1051, 1052.)

§ 169.13 Eligible institutions of higher education.

(a) To be designated as a developing institution, an institution must be an institution of higher education that:

(1) Awards a bachelor's degree, or

(2) Is a junior or community college, as defined in section 302 of the Act

(b) To be designated as a developing institution, a branch campus of a university or college must be a separate institution of higher education and be independent from the main campus. The branch campus must have accreditation status, budget control, and hiring authority all separate from the main campus.

(20 U.S.C. 1052(a)(1).)

§ 169.14 Legal authorization for education program.

To be designated as a developing institution, the institution must provide an educational program that is legally authorized by the State in which it is located.

(20 U.S.C. 1052(a)(1).)

§ 169.15 Accreditation status.

(a) To be designated as a dveloping institution the institution must be either:

(1) Accredited as a bachelor's degree-granting institution or as a junior or community college by a nationally recognized accrediting agency or association; or (2) Determined by the appropriate accrediting agency or association to be making reasonable progress toward accreditation.

(b) If an institution that is a junior or community college has changed to or merged with a bachelor's degree-granting institution, the institution must be accredited or be making reasonable progress towards accreditation in its new status.

(20 U.S.C. 1052(a)(1).)

§ 169.16 Five year requirement

(a) To be designated as a developing institution, an institution must have met the requirements of §§ 169.14 and 169.15, except as provided in paragraph (b), for 5 consecutive academic years, including the academic year in which the institution seeks designation as a developing institution.

(20 U.S.C. 1052(a)(1)(C).)

(b) The Commissioner may waive all or part of the 5-year requirement of paragraph (a) in the following circumstances: (1) If the Commissioner determines that the granting of a waiver for an institution will increase higher educational opportunities for Indians, the Commissioner may waive the 5-year requirement for an institution that is located on or near an Indian reservation or near a substantial population of Indians; and (2) If the Commissioner determines that the granting of a waiver for an institution will sustantially increase higher educational opportunities for Spanish-speaking people, the Commissioner may waive 2 years of the 5-year requirement. (c) To apply for a waiver under either paragraph (b)(1) or (b)(2), an institution shall request and justify the granting of the waiver.

(20 U.S.C. 1052(a)(2).)

§ 169.17 Struggling for survival and isolated from the main currents of academic life.

(a) The Commissioner groups institutions applying for designation as developing institutions as follows: (1) Public bachelor's degree-granting, (2) public junior or community college, (3) Private bachelor's degree granting, and (4) private junior or community college.

(b) To be designated as a developing institution, the institution, must be struggling for survival for financial or other reasons and be isolated from the main currents of academic life. In addition, the institution must be making a constructive effort to ensure that it will continue to survive.

(c) To assist in determining whether an institution is, in fact, struggling and isolated, the Commissioner awards points to the institution for its average educational and general (E&G) expenditures per full-time equivalent (FTE) student and for its average basic educational opportunity grant (BEOG) award per FTE undergraduate student.

(1) The Commissioner assigns points to the institution—on a scale of 0-100—on the basis of its average E&G expenditure per FTE student. The points awarded reflect the institution's position on the percentile scale when compared to the student expenditures

of all other similar institutions. For example, an institution that is estimated to be in the 98th percentile when compared to other colleges (a high per student expenditure) receives two points, while an institution estimated to be in the second percentile (a low per student expenditure) receives 98 points. (See the illustrative chart in subparagraph (3).)

(2) The Commissioner also assigns points to the institution on a scale of 0-200—on the basis of the average BEOG award per FTE undergraduate student. The points awarded will be based on the institution's percentile ranking when compared to all other similar institutions. For example, an institution that is estimated to be in the 97th percentile (a large BEOG award per student) percentile receives 194 points, while an institution estimated to be in the third percentile (a small BEOG award per student) receives six points. (See the chart in subparagraph (3)).

(3) The following chart illustrates how the points for these factors are assigned:

POINT SYSTEM FOR INSTITUTIONAL CHARACTERISTICS

	Points	
Percentile rank	Average E&G expenditures per FTE student	Average BEOG award for FTE undergraduate student
99.5	0	200
99	1	198
98	2	196
•	•	•
2	98	4
1	99	2
0.5	100	0

(4) To determine the percentile rankings in these two categories, the Commissioner uses data from the second year preceding the one in which the institution seeks designation as a developing institution. (For example, an institution seeking designation as a developing institution in fiscal year 1979 would submit data based on the 1976-1977 academic year.) A total of 174 points meets the quantitative requirements of this section—the combined total of the points earned in the per-student expenditure and basic grant calculation. An institution that receives fewer than 175 points may submit a written statement explaining why the indicators do not sufficiently reflect its status as a struggling institution and one isolated from the main currents of academic life. After reviewing the institution's submission, the Commissioner may determine that the institution, in fact, is struggling for survival and is isolated from the main currents of academic life.

(20 U.S.C. [illegible])

(c) In addition to the quantitative factors, each institution shall supply to the Commissioner a written narrative that describes the steps it has taken, over the past 3 years, to insure its survival. On the basis of this narrative the Commissioner determines whether the institution has been making a constructive effort to strengthen itself. If any of the following conditions apply, the institution shall explain why such a condition exists and what has been done to improve the situation:

(1) A decrease in full-time equivalent student enrollment of 5 percent or more for the 3-year period preceding the year in which the institution seeks designation as a developing institution.

(2) A decrease in total current funds revenues during any of the 3 years preceding the year in which the institution seeks designation as a developing institution.

(3) An excess of expenditures plus mandatory transfers over revenues in the unrestricted current funds during any 2 of the 3 years preceding the year in which the institution seeks designation as a developing institution. In this section, the term "current funds" means the funds available for use in meeting current operations.

(20 U.S.C. 1052(a)(1)(D)(iii).)

§ 169.18 Desire, potential, and reasonable effort.

(a) To be designated as a developing institution, an institution must possess the desire and potential to make a substantial and distinctive contribution to the higher educational resources of the Nation. Such a contribution might, for example, be to provide access to a particular group of students who would not otherwise have access to an institution of higher education, or the institution may offer a particular set of academic programs that are not otherwise available to the types of students who comprise its student body.

(b) In addition, the institution must have taken concrete steps to improve its overall academic and administrative capacity over the past 3 years and, specifically, have made a reasonable effort to improve the quality of its administrative and instructional staffs and its student services.

(c) The institution shall submit to the Commissioner, as part of its request for designation as a developing institution, a narrative describing:

(1) The mission and goals of the institution; and

(2) The tangible progress that the institution has made over the past 3 years to reach its specific goals, with special emphasis on activities carried out in the improvement of:

(i) Instructional staff,

(ii) Administrative staff, and

(iii) Student services.

(d) On the basis of the narrative the Commissioner determines whether the institution meets the criteria of having the desire and potential of making a significant contribution to the higher educational resources of the Nation and has been making a reasonable effort to improve its instructional program, its administrative capacity, and its student services.

(20 U.S.C. 1054.)

Subpart C—Types of Awards

§ 169.21 Introduction.

The Commissioner makes three types of awards of title III assistance:

(a) Cooperative arrangement grants;

(b) National teaching fellowships; and

(c) Professors emeritus grants.

Each award is made from a single fiscal year's appropriation for title III.

(20 U.S.C. 1054(b).)

§ 169.22 Cooperative arrangements.

(a) A cooperative arrangements is one or more working relationships between a developing institution and other institutions of higher education, agencies, organizations, or business entities to assist the developing institution in implementing activities under a title III grant.

(b) There are two kinds of cooperative arrangements:

(1) *Bilateral arrangements.* Under a bilateral arrangement the developing institution shall draw upon the assistance and services of another higher education institution, agency, organization, or business entity to strengthen its academic quality, or administrative, management, and financial capacity.

(2) *Consortium arrangements.* (i) Under a consortium arrangement, two or more developing institutions may work with each other to strengthen themselves in the areas indicated or enter into an arrangement with an institution of higher education, agency, organization, or business entity to help a cluster of developing institutions carry out allowable activities.

(ii) One of the developing institutions participating in the consortium arrangement shall serve as the applicant and coordinator.

(iii) The institution coordinating the consortium arrangement is responsible for complying with the terms and conditions of the grant.

(iv) Every participating institution receiving services from a consortium arrangement shall be a developing institution and shall receive services in proportion to its share of the grant.

(v) The size of a consortium arrangement is limited to the number of institutions that can be effectively and efficiently served.

(20 U.S.C. 1054.)

§ 169.23 National Teaching Fellowship Grant.

(a) A National Teaching Fellowship grant is the second type of award made by the Commissioner under title III. A developing institution may request a National Teaching Fellowship either:

(1) As part of a cooperative arrangement; or

(2) Independent of any other type of award.

(b) The Commissioner awards a National Teaching Fellowship of one or two years' duration through a developing institution to:

(1) Junior faculty members from institutions other than the applicant institution; and

(2) Graduate students—from institutions other than the applicant institution—who have at least a master's degree or related professional experience.

(c) A developing institution may have a National Teaching Fellow:

(1) Teach in an understaffed or new academic program; or

(2) Substitute for a faculty member released for further training or advanced study.

(d) A National Teaching Fellow shall serve as a full-time faculty member at the developing institution through which the award is made.

(e) Each national teaching fellow receives a stipend of $7,500 plus $400 per dependent for each academic year of teaching. A developing institution at which a national teaching fellow teaches may supplement the stipend with funds from sources other than title III.

(20 U.S.C. 1054.)

§ 169.24 Professors emeritus grant.

(a) A professors emeritus grant is the third type of award made by the Commissioner under title III. A developing institution may request a professor emeritus grant either:

(1) As part of a cooperative arrangement; or

(2) Independent of any other type of award.

(b) The Commissioner awards a professors emeritus grant through a developing institution to a professor who has retired from active service at an institution of higher education other than the grantee institution.

(c) A developing institution may have a professor emeritus:

(1) Teach in an understaffed or new academic program;

(2) Substitute for a faculty member released for further training or advanced study; or

(3) Conduct research to aid the development of the institution.

(d) A professors emeritus grant includes a stipend for each academic year of teaching or research at the developing institution through which the award is made. The stipend may not exceed the salary of a comparable staff member of the developing institution. A developing institution at which a professors emeritus grant recipient serves may supplement the stipend with funds from sources other than title III.

(e) The period of a professors emeritus grant may not exceed 2 academic years. However, one additional 2-year period may be funded to complete the program objectives of the original award, if approved by the Commissioner upon the advance of the title III advisory council.

(20 U.S.C. 1054.)

Subpart D—Scope and Duration of Grants for Cooperative Arrangements

§ 169.31 Allowable activities.

(a) In submitting an application a developing institution shall examine the status of its administrative structure, curriculum, student services, administrative personnel, instructional personnel, and financial position and identify the areas of greatest need.

(b) Further, the institution shall identify the steps it will take to strengthen its capacity to fulfill its unique mission and make a substantial contribution to the higher educational resources of the Nation.

(c) Finally, the institution shall show that it can carry out the planned activities within the context of the proposed title III cooperative arrangement.

(d) Authorized activities are those that:

(1) Clarify institutional goals;

(2) Improve the curriculum;

(3) Strengthen student services;

(4) Promote faculty development;

(5) Improve administrative services and fiscal management; and

(6) Develop innovative academic programs.

(20 U.S.C. 1054.)

§ 169.32 Allowable costs.

(a) The Commissioner pays part of the costs related to the planning, development, and implementation of allowable activities.

(B) In addition to the cost limitations imposed by the Office of Education general provisions for direct project grant and contract programs (45 CFR 100a), the following cost limitations apply:

(1) Indirect costs may not be charged to the grant.

(2) The purchase of equipment is limited to equipment that is necessary to achieve program objectives.

(3) Grant funds may not be used for construction.

(20 U.S.C. 1054.)

§ 169.33 Duration of cooperative arrangement grants.

(a) An applicant may receive a grant of 1, 2, 3, 4, or 5 years' duration. The requirements of the cooperative arrangement determine the length of the award.

(b) Grants of one year's duration are awarded to refine institutional mission and goals and to develop long-range plans for achieving an institution's academic goals or strengthening its management or both. The Commissioner may award an institution, during its participation in the program, a maximum of three grants for these purposes.

(c) Grants of up to 3 years' duration are to support the development and short-term implementation of other activities in any allowable areas.

(d) Grants of up to 5 years' duration are to support implementation of long-term programs to improve an institution financially and to strengthen its management.

(20 U.S.C. 1051, 1054.)

Subpart E—Application Procedures

§ 169.41 Submission of Applications

(a) An applicant for a title III grant shall file an application by the closing date established annually by the Commissioner in a notice published in the FEDERAL REGISTER.

(b) An applicant shall include in its application such information as the Commissioner considers necessary to make determinations under title III.

(20 U.S.C. 1051, 1054.)

Subpart F—Grantee Selection

§ 169.51 Introduction.

The Commissioner makes final decisions regarding the funding of all title III applications based on the rules and procedures established in this subpart. In evaluating the applications, the Commissioner may seek and use information from existing public records and from site visits to developing institutions in addition to rating the information submitted in the formal application.

(20 U.S.C. 1051, 1054.)

§ 169.52 Application review criteria and use of review panels.

(a) The Commissioner appoints review panels to provide the Commissioner with comments on and recommended ratings for the applications. The Commissioner appoints separate panels to review applications from bachelor's degree-granting institutions and from junior and community colleges. The panels numerically rate each application assigned to them and provide the Commissioner with comments on each.

(b) A panel judges each application on the following criteria with points assigned to each criterion:

(1) The extent to which the application's mission and goals statement reflects the needs of its constituents. (15 points)

(2) The extent to which the applicant clearly states the objectives of the proposed activities. (5 points)

(3) The extent to which the size, scope, and duration of the proposed activities will contribute to the stated goals. (25 points)

(4) The extent to which any proposed cooperative arrangements will help achieve project objectives. (10 points)

(5) The extent to which the administration of the proposed program is adequate. (15 points)

(6) The extent to which evaluation procedures are adequate. (10 points)

(7) The extent to which a plan has been developed to ensure continuation of the proposed activities after the grant ends. (5 points)

(8) The extent to which the proposed cost of the project is reasonable and realistic. (15 points)

(20 U.S.C. 1051, 1054.)

§ 169.53 Rating for program priorities.

After considering the comments of the review panels and the ratings recommended by them the Commissioner assigns to each application an appropriate number of points for each criterion listed in paragraph (b) of § 169.52. The Commissioner considers further for selection only those applications that receive a rating of 50 or more points. Applications receiving 50 or more points under § 169.52 will be further rated on the extent to which the proposed activities will:

(a) Strengthen the academic program and provide a successful educational experience for low-income or minority students; (25 points)

(b) Contribute to the long term stability of the institution and overcome the circumstances that threaten survival; (25 points)

(c) Increase upward mobility for graduate and professional study; (10 points)

(d) Improve the institution's overall administrative capacity; (10 points) and

(e) Improve the applicant's management of Federal assistance programs, including student financial aid programs. (5 points)

In addition, the Commissioner may award up to 25 points for an application from an institution which has one or more of the following characteristics:

(1) The institution serves a particularly large percentage of low-income students.

(2) The institution provides a unique or particularly productive educational program for its students.

(3) The institution has, at present, particularly strong and effective management and administration of Federal programs and funds including Title III, and student assistance programs such as the Guaranteed Student Loan; the National Direct Student Loan; Basic Educational Opportunity Grants, Supplemental Education Opportunity Grants; College Work Study and State Students Incentive Grants Programs.

(4) The institution, because of its geographic location, provides access to students who, otherwise might be unable to attend college.

(20 U.S.C. 1051, 1054.)

§ 169.54 Overall ranking and selection.

(a) The Commissioner totals the points each application received for general quality (§ 169.52) and for addressing program priorities (§ 169.53).

(b) The Commissioner then ranks the application on the basis of the total number of points it received. The Commissioner ranks applications from bachelor's degree-granting institutions separately from those from junior or community colleges.

(c) The Commissioner awards grants on the basis of the descending order in which applications are ranked.

(20 U.S.C. 1051, 1054.)

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GUIDELINES FOR LEGISLATION IN SUPPORT OF INSTITUTIONAL INTERRELIANCE AMONG COLLEGES AND UNIVERSITIES IN ACADEMIC CONSORTIA

RECOMMENDATIONS

The Council for Interinstitutional Leadership recommends that Congress reaffirm the necessary role and responsibility of academic consortia in post-secondary education, with their eligibility for funding being legitimized through congressional enactments.

It further recommends that substantive cooperation be given priority in all future Federally-funded post-secondary education programs, with special focus being placed on Title III, Strengthening Developing Institutions.

SUPPORTING INFORMATION

I. Institutional cooperation (interreliance) now guarantees greater capacity and economy in programs and services which meet diverse learner and organizational needs.

In the past two decades, especially, substantial interinstitutional arrangements have emerged. Some 125 such arrangements now exist, involving 1,560 public and private institutions. These academic consortia are voluntary, formal organizations of two or more members, professionally administered, having multi-academic programs, and requiring an annual monitary contribution or other tangible evidence of long-term commitment. Academic consortia differ from the various other educational associations in that the mission of academic consortia is related directly and functionally to the member institutions' wide range of needs and aspirations.

Briefly, the mission of academic consortia is to ensure efficiency and effectiveness by assisting its institutional members in more fully utilizing their own resources. This is done through programs, projects and services growing from cooperative planning and shared resources, and by maintaining a formal consortium organization.

Interinstitutional cooperation and interreliance guarantee a variety of benefits:

- Provide new and improved educational program opportunities for

learners.
- Minimize program and other duplications of effort.
- Achieve economic advantages through cost sharing, resulting in cost savings and cost avoidance.
- Strengthen self-reliance through freely given allegiance; encourage grass-roots self-direction; facilitate interreliance among faculty and staff.
- Advance a sense of community among institutions which share a common purpose.
- Improve the quality and visibility of institutional programs and services.
- Draw institutional comparisons and contrasts in all areas of work.
- Challenge institutional insularity and minimize its effects.
- Enhance the educational and cultural life of an area and region.

It should be clear that a consortium does not add another "bureaucratic level" and is not a "superstructure". Rather, it is the instrument of the member institutions themselves, implementing their programs by pulling together their particular strengths and resources, and assisting them in directing their collective efforts. At the same time, a consortium is more than the sum of its parts, since it has an initiating role, as well as an implementing responsibility.

Consortia - and the concept of institutional cooperation in post-secondary education - will become even more imperative in the '80s when the enrollment of college age youth declines, while demands for wider educational offerings for new and non-traditional learners increase.

Academic consortia embrace a wide range of cooperative programs and activities:

- Shared and/or Coordinated Instructional Programs.
- Faculty: joint appointments, fellowships, shared faculty, adjunct.
- Instructional Support Systems: A.V., computer services, library, etc.
- Student Services: placement, health, admissions, counseling.
- Administrative Support Services: budget preparation and management, research, development, operations planning, organization systems.
- Professional Development: faculty seminars, staff training workshops.
- Planning, Research and Evaluation.
- Community Services: needs analysis, program delivery systems and services.

Academic consortia have achieved a legitimate place in higher education and have established their eligibility for direct funding by all programs under the new higher education legislation.

II. Federal funding should support cooperation and interreliance in education, not institutional insularity.

Academic consortia, as defined, differ from other educational groups and associations; i.e., national higher education associations, accrediting agencies and associations, state systems, state associations of private colleges and universities, international education cooperatives, inter-state compacts, special or single purpose "consortia", and bilateral compacts. Institutions can participate in such arrangements and still remain insular -- quite separate and apart from any "community" of institutions committed to a common goal, dedicated to mutual assistance, and joined in interreliance.

Institutions participating in no cooperative arrangement whatever deprive themselves of widened perspectives, a variety of cost savings and advantages, new and improved educational program opportunities, and the other benefits of institutional interreliance. Therefore, governmental policy and practice would do well to encourage and support substantial cooperative arrangements.

III. All Federal programs providing funds to underwrite higher education should give priority to substantial cooperative arrangements and programs.

Substantial cooperative arrangements, or academic consortia, as they mature, develop both continuity and strength. They, thus, enable the member institutions to use, wisely and efficiently, the funds made available for the enrichment of both their individual and collective programs and services.

Federal agencies are advised to follow specific eligibility criteria in awarding grants to academic (or educational) consortia:

- The Consortium must be voluntary (not under the direction of government "coordination", but it may be mandated by government legislation).
- It must have a legal identity (incorporated as a non-profit organization).
- It must include a workable number of institutions (no less than two and usually no more than twenty members).
- It must coordinate multiple interinstitutional programs, joint services and administrative arrangements among all or between various subsets of members.
- The Consortia members must evidence financial commitment to the Consortium through annual "hard dollar" support.

Federal grants to consortia will not require increased Federal spending. Such grants, however, will be used more judiciously and efficiently (again, without excessive duplication of effort), and they will benefit a much larger number of colleges and universities when given through consortia.

IV. Title III especially should emphasize cooperative arrangements.

Since the Strengthening Developing Institutions Program (Title III, HEA 1965) is a visible and long-lived Federal support program, it can serve to illustrate the fact. The goal of this particular Program is to assist institutions which have the potential to make substantial contributions to the nation's higher education resources. Many such institutions are struggling for survival and are isolated from the main current of academic life. They are in need of revitalizing institutional relationships -- wider perspectives and new approaches, a renewed sense of mission, involvement in a strengthening "community", a far-sighted commitment to goals which include, but reach beyond, their own individual institution, and functional management systems which either complement or service institutional operations.

Substantial academic consortia provide the channel through which such revitalization occurs. They, therefore, must be of prime consideration in all future Title III legislation and grant awards. Indeed, other criteria and considerations appear less germaine when it is understood that strong interreliant networks produce strong institutions in much the same way as strong, positive, personal relationships produce strong individuals.

Substantive cooperation is the key.

Council for Interinstitutional Leadership

April 1979

GRAND
VALLEY
STATE
COLLEGES

FEDERAL RELATIONS AND PROGRAM DEVELOPMENT
ROBERT J. TOFT, DIRECTOR

4622 North 38th Street, Arlington, VA 22207 • 703/241-2763

May 4, 1979

Honorable William D. Ford
U. S. House of Representatives
Washington, D.C. 20515

Dear Congressman Ford:

It was a pleasure visiting with you during dinner at the recent AASCU meeting here in Washington. Don Lubbers and I appreciate the fine work you are doing in shepherding the higher education legislation through the House.

My reason for writing to you is to express some concern about Title III and to offer some suggestions for your consideration.

In addition to my work at Grand Valley, I serve as senior staff consultant to the Center for Personalized Instruction at Georgetown University here in Washington. The center conducts faculty development programs for colleges and universities engaged in curricular reform. I have been a consultant to three schools which are using Title III funds for academic program development. In addition, I have helped two institutions develop Title III proposals. Finally, I served on the ad hoc committee of the Michigan Council of State Presidents which prepared a draft of the higher education amendments for your consideration.

Through these various contacts I have had an opportunity to look at the ways in which a variety of institutions are using their Title III funds. It is from my observation and from discussions with others that my concerns arise.

Concern: The greatest need which I see in our colleges and universities is for more effective management. To be sure, the Title III regulations have always placed an emphasis on planning management and evaluation. Often a high powered management consulting firm is called in to design a PME System for the school. As a result, I believe that many unrealistic, unworkable and unproved "canned systems" are being hoisted on our Title III schools. The upper level administration often does not understand the system, is not prepared to utilize it, and is threatened by its implementation. Therefore, the design creates more tension and confusion and is either ignored or undermined by the top administrators.

Recommendation: The top administrators usually need more management training and tools. A better use of the Title III funds would be to send the top team members to some specific training programs to help them learn to cope with their jobs or conversely to bring to the campus some specialists who could conduct management team building exercises on site. Only after such training has been accomplished should the school try to develop a PME System of any sophistication. Such a system would then be planned by the top administrators based on their new knowledge of how to manage the institution.

Concern: My experience and the literature suggest that many institutions see Title III as an endless source of new funds to bail them out of their financial troubles. Little thought is given to true replacement of funds. Budgets are written in such a way that many expenses are one time costs and therefore replacement is not necessary. There is often a failure to do real planning for improving the financial condition of the institution down the road.

Recommendation: The regulations for Title III should contain language which makes the establishment of a financial resource development plan mandatory. I have spent the past five years working on both short and long range development plans for Grand Valley. With a commitment on the part of the top administrators, it is relatively easy to marshal the local resources to meet these goals. To be sure, the schools receiving the Title III funds often have the greatest need for the broader financial base. There are funds available in their communities from alumni, from foundations, and from other governmental agencies. The schools just need a stimulus to find them.

Concern: Many schools use Title III funds for curriculum development and faculty training. Through the center at Georgetown, hundreds of colleges and universities have exposed their faculty to new teaching methods, mostly without Title III funds I should add. While such development is often in the best interest of the school and its students, the lasting effect of such efforts is less than it should be. This is because the middle managers, the deans, division chairpersons and departmental chairpersons are not committed to the innovation. Having been an academic dean, I know the pressures under which these persons work. I have characterized the dean as sitting at the narrow part of an hourglass with the sand going both directions. It is an abrasive job. Rarely are these persons chosen for their jobs because of their management skills. Even more rarely are they ever given an opportunity to get any training in these management skills. The result is that most innovations and improvements initiated at the faculty level die for lack of understanding and support by the middle level managers.

Recommendation: The money being spent on new academic program development and faculty development will be protected better as the middle managers are better equipped to recognize and support such activities. Therefore, a component of any grant which proposes to promote curriculum development should be aimed at providing team building and management experience for deans and division departmental chairpersons. The long-term benefits to the institution will be far greater if this middle manager group becomes more efficient and comfortable in dealing with some problems it faces.

Concern: My final concern has to do with the sequencing of activities in Title III grants. Too often the proposal calls for a broad attack on many fronts simultaneously. In one school where I have consulted, this approach has had catastrophic effects. The degree of anxiety and mistrust at all levels is extremely high. The disruption of normal activities has had a devestating effect on the flow of information and on decision making. Many schools simply attempt too much at one time in order to get as much money as possible. It is often the size of the grant that is the only criterion of success. In those cases the mission is accomplished when the award letter is received. What happens after that is not of such moment.

Recommendation: While the guidelines for Title III have always emphasized the establishment of goals, objectives, performance evaluation and milestones, there has been too much latitude given in terms of range of permissible activities over the life of the grant. Since many Title III grants extend over several years, there should be a tight sequencing of events to ensure that the program decisions made are in harmony with the normal operations of the school. I would recommend that a top-down approach be utilized in awarding grants to schools. That is plans for administrative improvement at the highest level should be the first order of business. Following that, opportunities for middle management improvement should be undertaken. Only then should specific academic program improvement and faculty development be considered. The development of the planning, management and evaluation procedures should be a part of the activities involving both the top administration and the middle managers. Even if the grant were to stop at this point, the long-term benefits to the institution would be great. As the administrators gain skills, they also gain confidence. As they are enlightened about PME, they will work to improve the instructional climate and learning opportunities. When these administrators are more comfortable in their rolls, they will be ready to support the specific program improvements and faculty development activities needed.

I recognize that my sample of Title III schools is small. I know that my concerns are harshly stated. I believe that many schools are trying to do the things I recommend. Nonetheless, it is my judgement that more guidance is required at the agency level in pointing out a better sequence of events and of critical activities for the recipients of these federal funds. Most of these recommendations could be accomplished by the agency by rewriting the guidelines. I have brought my concerns to your attention however, because of the widespread unhappiness with the Title III administration. You are in a position to have a potent impact on this program and can weigh my concerns and recommendations in the light of all the information at your command.

If I can furnish you or your staff any help or information, I will be pleased to do so. It is out of my high regard for you and for the work you are doing that I have written so candidly.

Sincerely yours,

Dr. Robert J. Toft/cp

Robert J. Toft
Director of Federal Relations & Program Development
CC: Arend D. Lubbers, President
Grand Valley State Colleges

Hispanic Higher Education Coalition

ASPIRA of America
El Congreso Nacional de Asuntos Colegiales
League of United Latin American Citizens
Mexican American Legal Defense & Educational Fund
Mexican American Women's National Association
National Association for Equal Educational Opportunities
National Council de La Raza
National IMAGE, Inc
Puerto Rican Legal Defense & Education Fund, Inc
Secretariat for Hispanic Affairs, U.S. Catholic Conference

SECRETARIAT
Mexican American Legal Defense
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Washington, D.C. 20005
(202) 393-5111

June 11, 1979

Mr. William Ford
Chairman
House Subcommittee on Postsecondary Education
619 House Office Building Annex No. 1
Washington, D. C. 20515

Dear Mr. Ford:

During my testimony on Title III, Strengthening Developing Institutions, you request[illegible] the Hispanic Higher Education Coalition to provide our views rega[illegible]g the General Accounting Office (GAO) report on Title III and t[illegible]lyze the TRIO programs in light of our proposals on Title II[illegible] would like to share with you our thoughts on these programs.

GAO Report

The GAO report found that the basic definition of a "developing institution" had not been established. We believe that the Title III program is designed to assist certain colleges to develop resources and make significant contributions toward serving the higher education needs of the disadvantaged in this country. However, we believe that all institutions of higher education need to make a commitment to serving low income and minority group students. Therefore, we recommend that the title of the program be changed to "Strengthening Developing Institutions and College Programs." This would encourage efforts to meet the needs of low income and minority students throughout the country.

We believe that the Title III program should support colleges and educational programs which serve substantial numbers of economically disadvantaged students and students who come from environments in which the dominant language is a language other than English. This change will allow more schools and programs to target services to a greater number of needy and diverse students.

Eligibility criteria for participation in the program must be changed. The program should not continue to employ one standard for determining participation in the program and another for determining if a school will receive a grant. This practice has denied funds to many colleges which serve large numbers of Hispanic students.

Another major administrative problem is the absence of Hispanic professionals in policy and program positions in the Title III program at the national office. We believe that the employment of Hispanics in these positions would be a first step towards strengthening and improving higher educational opportunities for Hispanics.

We feel that the GAO report accurately described the fiscal and management problems associated with cooperative arrangements. We strongly believe that our proposals will prevent the abuse of funds and guarantee that the objective and activities of a college or program will be carried out.

TRIO Programs

Dr. Monte Perez outlined our proposals on the TRIO programs during his testimony before the Subcommittee. Through basic skills and counseling services, the TRIO programs have been valuable aids in assisting Hispanic students enroll in and graduate from institutions of higher education.

Nevertheless, because there are only a few Hispanic-controlled institutions of higher education, the TRIO programs, as opposed to Title III, have the primary mechanisms for assisting Hispanics in postsecondary education. This should not be the case. We believe that a cooperative arrangement between the TRIO programs and Title III would increase the participation of Hispanics in all higher education and Title III recipient institutions in particular.

We have met with representatives of black groups (including the National Association for Educational Opportunities) to discuss various issues of higher education. We will continue our discussions not only on Title III but also on other issues that concern minorities in higher education.

The primary goal of our work is to ensure equal educational opportunities for Hispanics, but recognize that many of our proposals would support other educational opportunity efforts for all students. Thank you for the opportunity to express our concerns.

Sincerely,

Alvin D. Rivera

Alvin D. Rivera

ADR:rm

CONCERNS FOR A SUGGESTED CHANGE IN THE DEVELOPING INSTITUTIONS PROGRAM

Submitted by Dr. Henry W. Munroe, Executive Director of the

New Hampshire College and University Council--A Title III Consortium

When Congress thwarted the attempt by certain bureaucrats within the Developing Institutions Program (Title III) to make it another student aid program by limiting eligibility to those colleges with a preponderance of BEOG recipients, it culminated a long and continuing effort to circumvent the intent of the legislation and the will of Congress. Many of my colleagues and I are pleased that Congress rejected these limiting criteria and grandfathered last year's candidates. The program, its regulations, and its guidelines need changing, and I should like to suggest some changes herein.

Title III and its administration have received severe criticism. Much of it is merited when one reviews the record of its award process, lack of controls, and abolition of legislative intent. Such a chronicle of dubious direction and bureaucrats' intransigence is fortunately not the full story, however. Within the last year, a new Director, Dr. Edward Brantly, has brought a new sense of integrity and professional competence to the program. It appears that Dr. Brantley will return the bureau to the high degree of respect that it held under the direction of Dr. Willa Player.

There are also numerous colleges and consortia which have, by prudent use of funds and diligent effort, bettered themselves as a consequence of this program. In particular, may I point out that the requirement in the enabling legislation, that developing colleges form cooperatives to mutually strengthen their resources, has initiated the first new academic innovation since the community college--consortia.

My recommendations are prefaced with some historical background and are based on 12 years of experience both with consortia and Title III. I should, therefore, like to draw your attention to:

1. the need for, and ways to define, a developing institution;
2. some examples of successful programs initiated with Title III support; and
3. suggested criteria for identifying and awarding grants to institutions that are developing.

Defining "Developing Institutions"

The latest G.A.O. report has clearly shown that past criteria have been applied subjectively, thereby limiting a clear and concise definition of the term "developing institutions." In reviewing testimony before the Subcommittee of Labor and Public Welfare presented in 1965, Broadus Butler and then Commissioner Frank Keppel made several suggestions that are worthy of reconsideration. The first dealt with defining those institutions that should be considered as "developing." Emphasis was placed on comparing these institutions with others viewed as "developed." An emerging picture set forth what developing institutions lacked or were limited by. Both men clearly believed that there was a basic level of resources and strengths that allowed a developed institution to provide an acceptable educational experience for their students. The following characteristics seemed to them to be lacking in the developing institution:

Characteristics of Developing Institutions

Described by Francis Keppel

1) Has limited financial support and small endowment.
2) Has relatively high dropout and transfer rates.
3) Has a slim catalogue of offerings.
4) Has difficulty attracting and retaining high quality faculty members.

Described by Broadus Butler

1) Has inability to compete for highly qualified personnel.
2) Has excessive teaching loads militating against research and other activities for continued personal development.
3) Has inability to maintain quality and continuity because of high personnel mobility and loss of contact by faculty with advances in their fields.
4) Has poor instructional salaries, depressing motivation.
5) Has lack of development office and services to bring information and guidance to the administration.

These limitations were then translated into the following characteristics for program eligibility:

Characteristics of Funded Developing Institutions[1]

		1967 Mean Average	Moving Toward the "Acceptable Level" of
1.	Enrollment	1,089	1,500
2.	Endowment income or annual state appropriation	$ 125,000	$ 900,000
3.	Tuition	556	1,500
4.	Educational and general expenditures per student	1,048	1,740
5.	Educational and general expenditures	1,141,000	2,107,400
6.	Faculty (size)	66	98
7.	% of faculty holding doctorate	26%	52%
8.	Student/faculty ratio	20	12
9.	Library volumes	51,000	157,000

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[1] House hearings 1967, p. 101

[1] During the 1967/68 amendment hearings, in assessing the impact of the program, Harold Howe presented referenced criteria which he labeled..."emerging criteria for determining eligibility as a developing institution." With two years' experience, these criteria identified areas where the institution was limited in resources. Grants were to be made in line with these limitations.

1) Extreme financial limitations such as salaries of less than $[illegible],000, unrestricted endowment less than $3 million, percentage cost of instruction per student less than 45%, and expenditures for library less than 5%.

2) High faculty-student ratio.

3) Limited library holdings (one-third of the generally accepted minimum requirements).

4) Low percentage (less than one-third) of the faculty holding Ph.D degrees.

5) High percentage of students (two-thirds) on scholarships and grants in aid.

6) Poor physical facilities--lack of funds for upkeep and maintenance.

7) Poorly prepared students.

8) Cultural, social, professional, and academic isolation.

9) Little or no foundation, alumni, or corporate support.

10) Little or no sponsored research; no faculty publications.

11) Program offerings and counseling services out of step with new opportunities in careers and vocational occupations.

12) Degree of concern for the development of remedial or corrective programs.

13) Dearth of faculty with scholarly backgrounds and achievements accompanied by inability to attract highly accomplished faculty due to poor institutional incentive.

14) Inadequate development offices and limited capacity for long-range planning.

By 1974, the limitations and characteristics had been translated into percentile criteria. Unfortunately, as the 1975/76 G.A.O. report documented, they were not consistently applied.

4-Year Public	5%	25%	50%	75%	95%
FTE Enrollment	672	1,702	2,372	3,224	5,290
% of Faculty w/Ph.D	20	28	32	38	95
Average Salary/Professor	$11,460	$14,040	$15,467	$16,315	$17,888
Average Salary/Instructor	$ 8,000	$ 8,696	$ 8,905	$ 9,485	$10,840
% of Students from Low-Income Families	15	42	63	79	52
Total E&G Expenditures	$988,633	$2,916,696	$3,917,770	$5,395,140	$10,280,000
E&G Expenditures/FTE	$ 1,101	$ 1,617	$ 1,863	$ 2,402	$ 3,183
Volumes in Library	45,000	75,233	95,000	120,430	242,191

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[1] House hearings 1967, p. 102)

4-Year Private	5%	25%	50%	75%	95%
FTE Enrollment	346	532	704	1,027	1,865
% of Faculty w/Ph.D	12	24	31	40	49
Average Salary/Professor	$9,750	$12,000	$12,854	$13,802	$15,840
Average Salary/Instructor	$6,883	$7,650	$8,330	$8,871	$9,470
% of Students from Low-Income Families	10	24	44	77	94
Total E&G Expenditures	$801,890	$1,108,871	$1,590,827	$2,140,888	$3,987,714
E&G Expenditures/FTE	$1,040	$1,820	$2,186	$2,590	$3,746
Volumes in Library	27,500	48,000	57,530	69,000	96,768

In the rush to make the program operational, concerns voiced by Senators and Congressmen in 1966 regarding the lack of preciseness were overlooked. Senator Hatch, in the April 10, 1979 Congressional Record, recalls these concerns, pointing out that then Congressman Griffin spoke to the looseness of the enabling language. In reviewing the testimony, I find that while the Congressman acquiesced to the language, he recommended that Congress..."look over its (O.E.'s) shoulder and see what is going on; otherwise, I do not think we should be fulfilling our responsibility..." I submit that Congress, caught up in the turmoil of the last ten years, has not "looked over O.E.'s shoulder." If they had, they would have seen the bureaucrats play loose with the intent of the law and the will of Congress. They would have seen the bureaucrats awarding funds in accordance with their own dictates, much like a wealthy potentate dispenses bonuses. Thus, the fiefdom grew until, under their leadership, they introduced the AIDP program to expand their largess with the thin promise (never kept) that those institutions funded would be "developed" out of the program. In a final burst of disdain, and in order to limit funding to their favorites, the bureaucrats introduced this year's limiting eligibility criteria. Were it not for the outcry of small colleges across the land, and quick action by Congress, they might well have succeeded.

When one reviews the original testimony on Title III, several suggestions were offered which, if included in the regulations, might have eliminated much of the maneuvering and confusion presently extant. Broadus Butler, in trying to define the term "developing institutions" for the committee, said, "...the term is quite appropriate because it has implied in it that a college shall have a purpose and an explicit plan which it shall submit...for examination on its merit; that there is a procedure for review to determine whether or not standards are being met in terms of improvement of the areas about which the proposal is designed..." Here, I believe, is the justification for fiscal support, the essence of eligibility, and the necessary commitment and responsibility of the recipient.

If an institution is required to document, in accordance with eligibility criteria, those areas it needs to improve in order to be judged "developed" and provides a schedule for achieving the same, then the government and the college has the responsibility to see that this is in fact achieved. The college or consortium should clearly state what it intends to do, how much money it needs to do it (from the government), how much it will contribute on its own, and when it will cease to request federal support and be self-supporting.

Once again, may I return to the testimony establishing the program and another suggestion that was implemented at the outset, but, over time, has been diluted. I speak to the unanimous opinion of witnesses and committee members in favor of requiring institutions to cooperate if they were to receive federal support.

The mandate to share resources in order to reduce duplications, effect economies, and limit competition made good sense when dollars and students were plentiful; it makes more sense now when both are declining. The authors of the bill realized it could not justifiably provide all small colleges with the resources and bounty they desired; however, it should assist some colleges on the premise that they would share with their neighbors.

To carry cooperation a step further, the regulations urged developing colleges to join with a developed college or agency for assistance. Thus, was born the concept of an assisting agency or institution which, in the spirit of collegiality, would guide and help its struggling neighbor. Alas, rapacity is not excluded from the collegium. The recent G.A.O. report chronicles the growth of "professional assisting agencies." Despite such travesties, numerous (over 300) consortia of small colleges were born and flourish under Title III. With legitimate "assisting" relationships, they shared faculty, students, buildings, and funds. Over time, however, in order to direct more funds towards individual institutions, Title III bureaucrats suggested dubious, if not illegal, configurations. Several institutions banded together, each forming a consortium to which each belonged. Thus, one institution could request funds as the coordinator of a consortium, while receiving additional funds as a member of several others. This exercise in collegial incest reaped a fiscal harvest. Next, if institutions were not satisfied with their "take," they could form bilateral relationships. Thus, only two institutions divided up the pie. Then, as the records show, the bureaucrats concocted the single massive grant to the single institution--AIDP. Finally, the regulations proposed this year allowed multi-year funding for bilaterals and AIDP, but limited consortia to one-year grants.

Across the land there are clusters of small colleges which have, with limited grants, pressed towards developed status. These consortia have used minimal Title III grants, together with matching grants, in prudent and effective programs. For the most part, they do not receive, nor are they represented by, "professional assisting agencies." They are seldom heard from, but they ought to be. During the House hearings on Title III, the Washington based professional organizations testified. Two college presidents were on hand; one represented a major consortium, the other a black institution. I wrote to several of the committee members and suggested they missed a chance to hear from the grassroots. I was told to respond in writing, and herein have done so.

Examples of Successful Programs

Congress has asked several Title III recipients to comment on the effect of the program as it relates to moving institutions ahead. I am pleased to respond in behalf of the New Hampshire College and University Council--a consortium of three public and ten private colleges. The NHCUC has been in operation for twelve years. The University of New Hampshire has been the Assisting Agency from the outset. During this time, it has never received one dollar of Title III funds for the many services it has provided. In fact, the University pays the highest membership dues and individual program assessments of any consortium member.

The NHCUC has matched Title III with institutional assessments in all of its programs. The amount received from Title III has averaged $220,000 per year. No funds received from Title III, with the exception of NTF funds, have been devoted to individual institutional efforts. Further, all programs funded by Title III have or are scheduled for institutional takeover and fiscal support. This is not to give the impression that all programs have succeeded. We have had some "notable" failures, as well as successes.

Let me pause here and make it clear that if the preceding statements and those following (chronicling the success of the NHCUC) seem "self-serving," they are born out by several studies, site visits, and reviews conducted by OE, the Ford Foundation, and OPB, as quoted below:

> Harold Hodgkinson, while engaged in a study of Title III and its results. was so impressed by the accomplishments of NHCUC that he said, among the consortia he felt were doing an excellent job, NHCUC "turned out to be far and away the best of the bunch," (Hodgkinson, 1972, p. 13). He went on to say that NHCUC has succeeded through cooperation in waging war on financial instability.
>
> Hodgkinson describes the operations: "All routine and most major administrative tasks are carried out through the consortium. Library transports move books between campuses daily; joint course numbering allows frequent student exchanges; the four-one-four calendar, a marine sciences program, and various cultural programs are the other fruits of cooperation for these institutions. The schools are now committed to interdependence, and, while the manifest function of this sort of cooperation is clear, some of the latent functions are as interesting.....As one example, religious institutions within the consortium have, for the first time, adopted a contemporary approach to education in these areas...without sacrificing institutional identity," (Hodgkinson, 1972, p.13).

The Council has succeeded because it pioneered (despite OE objections in years past) the concept of utilizing professional staff to identify areas where resources could be shared, funds could be used jointly, and efforts could be centralized. It has paid off. The staff, supported by Title III, has and does consist of a working director, a program coordinator, and a secretary. They are assisted by directors of joint programs and specialists supported by institutional assessments. All projects and programs, begun with Title III money, are designed for takeover by the colleges.

The programs listed below are representative of those initiated by the staff with Title III funds and which are now self-supporting.

EFFORTS INITIATED WITH TITLE III SEED MONEY AND, UNDER THE DIRECTION OF CONSORTIUM STAFF, NOW SELF SUPPORTING

1. A common calendar allowing faculty to teach at different institutions during the winter term.

2. A Student Exchange Program allowing students to take courses at, or transfer to another institution for up to two years at no cost; thus, students can take advantage of the strengths of all member institutions without their home campus duplicating courses or hiring additional faculty.

3. The Library Program reduced the cost of and provided expanded library opportunities for students. Each college selected a major subject area and dedicated an increased portion of the budget to the same. The collections were available to all students both at the holding library and through a twice-a-week Library Delivery Service at other libraries. A central repository for very expensive, but little used, books was also established.

4. Cooperative Academic Programs: By drawing on limited faculty strengths and combining the same, have developed quality programs in specialized areas such as Marine Studies and Mass Media.

5. Initiated a shared computer system and trained faculty in computer languages with an NSF Grant.

6. A Central Purchasing System, utilizing State of New Hampshire services, was developed.

7. A Student Aid Program, now providing in excess of $2 million, was developed.

8. A High School Councilor Handbook for Financial Assistance was developed and, via a series of workshops, taught the use of same. BEOG applications have been raised 10%.

9. Utilizing engineering resources of the University, conducted an energy audit of all campus buildings. From this, retro-fit programs have averaged a 10% energy savings.

10. NTF funds have assisted faculty in obtaining 55 Ph.D's.

11. Developed joint summer school combining three institutions.

12. Management profiles leading to staff reorganization for several colleges.

13. Visiting Scholars Programs.

14. A three-year Instructional Development Program directed towards career implementation for Liberal Arts.

15. The following centralized services: Cooperative Placement, Cooperative Admissions, Centralized Financial Aid Office, and Centralized Security Training.

16. Joint marine laboratory.

17. A program in cooperation with all banks in the state to increase their loan programs.

18. 13 fiscal management workshops.

19. 30 faculty workshops.

20. Short- and long-range plans for ten institutions.

THERE FOLLOWS SOME SUGGESTED CRITERIA FOR DESIGNATION AS A "DEVELOPING INSTITUTION":

1. How do academic characteristics (e.g., SAT scores and high school class standing) of students currently applying compare with those of applicants in prior years?

2. How many applicants have to be accepted to enroll one student? How has this ratio changed over the last few years?

3. How many students are applying to the institution this year compared to previous years?

4. How many students remain from one year to the next, e.g., from freshman to sophomore, and how does this compare with previous years?

5. How adequate are the library resources in providing support for the various departments? How adequate are other support items (media, computer, facilities, staff) for each of the departments?

6. Have turnover rates of faculty and staff changed significantly over the last five years? What has been the student attrition or dropout rate for the institution as a whole and for its departments?

7. Is the compensation of faculty and staff competitive?

8. Is the student body sufficiently diverse (e.g., in its social and cultural characteristics) to promote the kinds of nonclassroom learning experiences the institution desires? Has the diversity of the student body changed significantly over the last five years?

9. Have the net changes in fund balances been positive?

10. At what level, and with what certainty will the institution's primary sources of financial support continue to provide funds in the future?

11. What percentage of the institution's assets can be liquidated and expended should the need arise? What problems would be encountered in doing so?

12. Has the percentage of graduates either obtaining employment or continuing their education changed significantly in the last five years?

13. How have the prices of major cost items changed; for example, faculty and staff salaries, library books, equipment, and energy, and what effect will those changes have on the institution's total budget?

14. Are students, at the national level, enrolling in the kinds of instruction programs offered by the institution? If not, in what kinds of programs are they enrolling?

15. What steps are the institution taking to promote interinstitutional cooperation?

16. How have increases in the total cost of attendance compared to increases in personal disposable income and inflation?

17. Is the institution relying more heavily on tuition as a percentage of total revenues?

18. How do financial aid expenditures of peer institutions compare to those of this institution? How has this changed over time?

19. To what extent are the institution's unrestricted funds being used for financial aid? What is the percentage of tuition? What is the rate for peer institutions?

20. What percentage of students is receiving financial aid and how has this changed?

21. What is the mix (by ethnic origin, sex, class rank, family income, Scolastic Aptitude Test (SAT) score, etc.) of the entering class, and how has it changed over time?

22. What are the institution's retention factors, and how have they changed over time?

23. How does the institution's governmental appropriation compare with appropriations for other similar institutions?

24. Does the institution have a stated tenure policy? If so, how does it compare with other statements on tenure?

25. What have been average faculty and staff salary levels in recent years? How does the growth of the institution's faculty salaries compare with the growth of those in peer institutions, with the consumer price index, and with relevant market salary surveys?

26. What is the history of faculty turnover?

THERE FOLLOWS SOME SUGGESTED CRITERIA FOR JUDGING APPLICATIONS FOR GRANT AWARDS:

Congress has requested recommendations for legislative and guideline changes for reauthorization. My thinking is that Congress (with Title III) wished to give assistance to those institutions showing promise of reaching a position where they can provide quality education and be self-sufficient. Once an institution is declared eligible, it seems to me, awards for programs should be made on the following basis:

1. The institution has documented those areas that limit its development and these are acceptable to OE.
2. The programs proposed will eliminate the weak areas (or some portion of them) as set forth.
3. A set of evaluation criteria and a schedule for program termination are offered.
4. Assurances that the institution is fiscally sound and capable of managing Title III and other funds are provided.
5. Matching funds are pledged.
6. Institutional termination dates set forth for participation in Title III.

If the institution chooses (and I submit it should) to participate in a consortium, the following should be required:

1. A precise statement of how the objectives will be met collectively.
2. A description and budget for consortium administration.
3. A line-item budget showing how much each college will receive in money and services, and how much they will provide.
4. If there is an assisting agency, a statement of what services (and the cost) will be provided each institution; the amount of money accruing to the assisting agency; a biographical description of the agency as to its participation in Title III; and, if it is involved with other consortia, to what degree and how much.
5. An annual site visit from OE should be scheduled.
6. Grants should be for more than one year.

With these points in mind, let me add a few thoughts. I believe an institution or a consortium should be required to prepare and submit a plan that leads to development status and the termination of Title III funding. I believe it would take several years to complete, with each year given over to reducing the limiting factors. I further believe that institutions, to the degree possible, must be required to supplement Title III with their own funds in anticipation of the time they will have to assume full support.

This has been a long report for any Congressman, Senator, or his aide to read. It does not address such concerns or requests for field readers (conflict of interest), technical reviews, program evaluations, further concerns relative to assisting agencies, administrative bias, ranking proponents, etc.

Title III has made an enormous impact on New Hampshire. We want it to continue, but in accordance with congressional mandates. We feel the recent look by Congress has been of immense benefit. Certain bureaucrats have left and, like "the mule and the plank," the Bureau of Higher and Continuing Education is paying attention. We want to provide you with our views and concerns so that when you make decisions, you will know how the small, often rural, colleges feel. I hope you will listen.

REAUTHORIZATION OF THE HIGHER EDUCATION ACT AND RELATED MEASURES

PART 1—TRIO

TUESDAY, APRIL 10, 1979

HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON POSTSECONDARY EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 9:30 a.m., pursuant to notice, in room 2261, Rayburn House Office Building, Hon. William D. Ford (chairman of the subcommittee) presiding.

Members present: Representatives Ford, Buchanan, and Murphy.

Members of the staff present: Thomas R. Wolanin, staff director; Patricia F. Rissler, deputy staff director; William C. Clohan, minority assistant education counsel; and Jennifer Vance, minority legislative associate.

Mr. FORD. The Subcommittee on Postsecondary Education will come to order for the purpose of continuing hearings on the reauthorization of the Higher Education Act of 1965 and related measures.

Our hearing today will consider the special programs for students from disadvantaged backgrounds, familiarly known as the TRIO programs.

These programs are appropriately authorized under title IV of the Higher Education Act, Student Assistance. The TRIO programs are aimed at assisting students to overcome some of the barriers to both access and completion of postsecondary education.

In particular, these programs try to help students overcome the barriers of lack of information, inadequate skills, and lack of clear direction or motivation by providing services such as tutorials, counseling, and information about student financial aid.

These programs complement the other programs in title IV which provide the financial aid and, of course, financial aid is primarily for the purpose of removing the barrier of economics from access to educational opportunity and retention in postsecondary education.

The TRIO programs have received favorable evaulation from those who have studied them in recent years and, in addition, these programs have enjoyed increasing support from the Congress as witnessed by the appropriations levels of funding which rose from $70 million in fiscal year 1975 to $140 million in fiscal year 1979.

The fact that the TRIO program is, in fact, five programs and that one of the five has never been funded, and the fact that these programs have their origins in legislative enactments of 1964, 1965, 1968, 1972, and 1976, points, I think, to the central issue with respect to the reauthorization of these programs. That issue is the overlapping clienteles, services, and providers which characterize the programs.

Our witnesses today will appear in three panels. All of the witnesses are prepared to comment on the recommendations of the various educational organizations that have comments on this particular part of the law.

The panels are also specialized by the programs with which the members of the panel have the most experience.

The first panel includes witnesses most familiar with the Upward Bound and special services programs. These are campus-based programs which primarily serve students who are in school, either in high school in the case of Upward Bound, or postsecondary education in the case of special services.

Our second panel this morning will include witnesses whose primary experience is with the talent search and educational opportunity centers programs. These programs are usually located in the community rather than on the campus, and they serve individuals who are not currently in school as opposed to current students

Our third panel will discuss the HEP and CAMP programs: The high school equivalency program and the college assistance migrant program, which serve students from migrant families. This panel will address the possible relationship between the HEP/CAMP programs now located in the Department of Labor and the TRIO programs.

On the first panel we have Mr. Arnold Mitchem who is the director of the educational opportunity program at Marquette University in Milwaukee, Wis.

Please come up to the table.

We have with us Mr. Luther Dease who is the director of the Upward Bound project at Western Michigan University in Kalamazoo, Mich.; Mr. Danny Ealum, who is the TRIO desk director of the United States Student Association in Washington, D.C. and Mr. Fuji Adachi who is the coordinator of the student educational programs at the University of Wyoming in Laramie, Wyo.

Without objection, the statements prepared for the committee by the panel will be inserted in full at this point in the record.

[The prepared statements of Arnold Mitchem, Luther Dease, Danny Ealum, and Fuji Adachi follow:]

TESTIMONY OF ARNOLD L. MITCHEM, CONVENOR, NATIONAL COORDINATING COUNCIL OF EDUCATIONAL OPPORTUNITY ASSOCIATIONS

Mr. Chairman, members of the subcommittee, we are deeply honored to have been afforded this opportunity to present the recommendations on the TRIO reauthorization developed by the National Coordinating Council of Educational Opportunity Associations to this Subcommittee. These recommendations are the result of a series of deliberations conducted by the Council and its ten constituent organizations over the ten month period from December, 1977 through September, 1978. The ten TRIO-based associations which make up the NCCEOA have a combined membership of over 1500 persons from 47 states and the Commonwealth of Puerto Rico. All of the recommendations which I will discuss today were first proposed in regional task forces of TRIO practitioners. These proposed recommendations were then discussed in other areas of the country, considered and modified by a Task Force of the NCCEOA, and finally approved in a position paper adopted by the NCCEOA last September. It is that document which served as the basis of the draft legislation which the Council submitted to the Subcommittee on February 16 at

Chairman Ford's invitation, and it is that document which will serve as the basis of our testimony here today.

As you know, Subpart 4 of Title IV of the Higher Education Act of 1965 as amended authorizes six programs which, for reasons of history, are commonly referred to as the TRIO programs. These include: Talent Search, Upward Bound, Special Services for Disadvantaged Students, Educational Opportunity Centers, Service Learning Centers, and a training program for TRIO staffs. The Council's position paper included eleven recommendations. The remarks of this panel will be limited to Council recommendations which impact upon Upward Bound, Special Services, Service Learning Centers, and the Training Authority. The next panel will discuss Council recommendations as they effect Talent Search projects and Educational Opportunity Centers.

Upward Bound, as currently authorized, is a program for disadvantaged high school youth which is designed to assist them in developing the skills and motivation necessary for success in college. Upward Bound students attend a summer session, most often a residential summer session, on the host campus. There they receive supplementary instruction, particularly in the basic skills of reading, writing and mathematics. They also receive personal and academic counseling and take part in a variety of cultural, career, and other motivational activities. Oftentimes, when distances permit, Upward Bound students also receive counseling, tutoring, college placement assistance, and additional instruction in basic skills during the academic year. Under the present legislation all Upward Bound students must meet the Bureau of the Census' poverty criteria.

The Special Services program offers compensatory services to disadvantaged students already enrolled in college. Central to its mission is increasing the retention of low-income and minority students in college. Typical services made available by Special Services projects include academic advising, personal counseling, instruction in the basic skills, post-baccaluareate placement assistance, and tutoring. The current eligibility criteria for Special Services programs are less exact than those governing the Upward Bound program. Services are to be provided to "students with academic potential who are enrolled or accepted for enrollment at the (host) institution * * * who, (i) by reason of deprived educational, cultural, or economic background, or physical handicap, are in need of such services to assist them to initiate, continue or resume their postsecondary education or (ii) by reason of limited English-speaking ability, are in need of bilingual educational teaching, guidance, and counseling in order to enable them to pursue a postsecondary education."

ELIMINATING OVERLAP AMONG THE VARIOUS TRIO PROGRAMS

The first issue which the Council confronted when it examined the current legislation with a view towards the reauthorization was the obvious overlap between some programs. From the practitioners point of view, there is a logical distinction between those TRIO programs which we refer to as the campus-based programs and those we refer to as the community-based programs. Upward Bound and Special Services are campus-based programs since their activities necessarily take place on a college campus and since the effectiveness of those activities is oftentimes dependent upon the degree to which the programs are integrated into the college environment. Talent Search projects and Educational Opportunity Centers, on the other hand, rely more directly for their success on the extent to which they can reach into disadvantaged communities and bridge the chasm between that community and higher education. Among what we have called the campus-based programs, there is a further distinction. Upward Bound programs are targeted upon students who have not yet reached college; Special Services are targeted upon students already in college.

Since 1976, the legislation has also authorized Service Learning Centers, however, no funds have been appropriated for these projects. Service Learning Centers would also provide compensatory services to students enrolled in college. It is the view of the Council that such Centers, if funded, would duplicate services already provided by Special Services projects. We recommend the elimination of this authority.

CLARIFYING THE DEFINITION OF THE TARGET POPULATION

Perhaps the most complex issue which the Council was required to address in looking toward the reauthorization was the problem of adequately defining eligibility criteria. The various TRIO programs were instituted at different times over the last fourteen years in response to different perceived needs, and each of the programs has a different definition of eligibility. Then, too, the subpart has both a general definition of eligibility for services, and, in some instances, modified definitions of eligibility which apply to only one program. The resulting lack of clarity causes problems at many levels. Not only does it increase the difficulty which the Office of Education experiences in simply counting the eligible populations in various areas, it also makes it more difficult to issue clear and simple regulations. This compounds the problems at the institutional level where, for example, a project director may never be completely certain whether or not he is correctly applying criteria such as cultural or educational disadvantage.

The Council is recommending two simpler and more exact criteria which would substitute for the current language and which would serve as the basis for eligibility in any of the TRIO programs. These criteria are (1) status as a first generation college student, and (2) compliance with a revised low-income standard (150 percent of the Bureau of the Census' poverty criteria). For Upward Bound, two-thirds of the students in each project would be required to meet both the first generation criterion and the economic criterion; up to one-third of the students in each project would be required to meet only one of these criteria. In Special Services projects, two-thirds of the students would be required to meet both criteria or be physically handicapped; one-third of the students could be either first generation college students, students from low-income backgrounds, or be physically handicapped.

As the following table indicates, if one walks down a street in America today, there is about a 17 percent chance that the first person encountered will have had only five to eight years of schooling. But if one walks onto a college campus, there is only an 8 percent chance that the first person met will be the child of a person with five to eight years of schooling. The children of every group of Americans (characterized by educational level) are underrepresented on our campuses with the single exception of the children of college graduates. In the general population, only 16 percent of the citizenry has three or more years of college while over 36 percent of college students today are from families where the head of the household had over three years of college.

TABLE I.—Comparison of Undergraduate Enrollment by Years Education Completed by Family Head to Years of Schooling Completed by the Population 18 and Over

[In percent]

Years of schooling completed	Population 18 and over	Undergraduate enrollment by schooling of family head	Degree of under or over representation
0 to 4	2.3	1.2	—48
5 to 8	16.9	7.9	—54
9 to 10	14.9	6.6	—56
11 to 12	37.8	36.3	—4
13 to 14	12.8	11.1	—14
15 and over	16.4	36.5	+122

Source.—Bureau of the Census P-20 No. 333 (February 1979) and P-20 No. 314 (December 1977).

Similarly, it is only the children of the comparatively well to do who are as well represented in the college population as they are in the general population. And, contrary to what would appear to be the premise of the current eligibility criteria, children of the working poor and of the lower middle class are sometimes more disadvantaged with regard to college than are children of persons defined as poor by the Bureau of the Census. Among whites and Hispanics, for example, the children of persons in the $5,000 to $9,999 income range are less likely to attend college than are children from families with incomes below $5,000.

TABLE II.—NUMBER AND COLLEGE ENROLLMENT OF PERSONS, 18 TO 24, BY FAMILY INCOME AND RACIAL/ETHNIC GROUP: SPRING 1976

[Numbers in thousands]

Age and racial/ethnic group	All incomes	Family income					
		Under $5,000	$5,000 to $9,999	$10,000 to $14,999	$15,000 to $19,999	$20,000 to $24,999	$25,000 and over
White:							
Total	23,305	3,112	4,823	4,617	3,534	2,540	4,679
Number enrolled	6,200	879	728	776	855	820	2,143
Pct. of income group	27	28	15	17	24	32	46
Black:							
Total	3,321	782	998	663	395	241	242
Number enrolled	668	118	169	136	94	58	92
Pct. of income group	20	15	17	21	24	24	38
Hispanic:							
Total	1,440	316	404	354	189	86	91
Number enrolled	244	47	46	59	42	15	36
Pct. of income group	17	15	11	17	22	17	39

Source.—The Condition of Education, 1978.

This Committee has worked diligently over the past fifteen years to move the country closer to the goal of attaining equal educational opportunity in higher education—and the array of student assistance programs available today is testimony to the extent to which they have accomplished this purpose. But intuitively, if not from experience, I am sure you are aware of all the non-economic factors which, if not addressed, can and do keep students from enrolling in or completing college: A student with a sincere concern for assisting his family financially never enters college, or drops out once he or she has enrolled, because no one has taken the time to show that student how entering or graduating from college will, in the long run, give that family much greater security and status; a student who has never been given support by his family or teachers never considers enrolling in college because he or she does not believe himself to be "college material;" a student with severe writing problems drops out of college because there is no one to assist him in writing themes and he or she cannot overcome that hurdle; a student from an inner city ghetto or from a very isolated rural area drops out of college because he or she cannot deal with the cultural dissonance experienced when entering a predominantly white, predominantly middle or upper-middle class environment for the first time. It is for students such as these that a Student Assistance strategy which does not include the provision of supportive services is incomplete—and will most likely fail.

MANDATING THE PROVISION OF FULL FINANCIAL AID FOR SPECIAL SERVICES STUDENTS

A third Council recommendation addresses this issue of the interrelationship between the Student Aid programs and TRIO when it suggests that the legislation be amended to require that in approving Special Services grants, the Commissioner shall require that each individual enrolled will receive sufficient financial assistance to meet their determined need. It is the experience of almost every Special Services director and counselor that it is often futile to attempt to address a student's academic problems unless the student is first provided a basic level of personal security. Very simply, it is much harder to learn calculus when you are worried about being forced to withdraw from school because of financial problems. It would seem appropriate that an institution target its available resources to assure that students are indeed given a reasonable chance to graduate from college. Indeed this is particularly true since the federal government has put such an approach within the financial capability of most institutions. The figures on student attrition support the thesis that students who receive adequate assistance are less likely to withdraw from school as is shown on the following table.

TABLE III.—TOTAL WITHDRAWAL RATE FOR 2-YR AND 4-YR COLLEGE STUDENTS AND GRADUATION RATE FOR 2-YR COLLEGE STUDENTS BY FINANCIAL AID

Student characteristic	Total withdrawal rate				Graduation rate for 2-yr college students	
	4-yr college students		2-yr college students			
	Aided	Not aided	Aided	Not aided	Aided	Not aided
Ability:						
Low	37.0 (26.5)	53.4 (44.9)	53.1 (40.6)	63.3 (54.8)	11.0	4.1
Middle	26.0 (19.6)	35.1 (27.7)	39.3 (33.7)	47.8 (40.9)	21.3	11.7
High	14.4 (11.1)	21.6 (17.2)	18.6 (15.1)	43.2 (37.7)	31.3	16.2
Race:						
White	20.9 (15.6)	29.0 (22.5)	34.0 (25.5)	49.1 (42.4)	25.5	12.2
Black	24.4 (18.4)	46.2 (37.5)	43.5 (33.5)	67.1 (58.0)	11.0	4.1
Educational aspirations:						
Vocational-technical school	73.3 (53.0)	79.9 (66.3)	62.8 (48.4)	79.5 (69.9)	13.1	5.1
2-yr college	53.8 (45.3)	74.1 (51.8)	60.0 (44.4)	60.4 (51.7)	20.7	10.7
4-yr college	25.8 (19.9)	30.9 (25.2)	34.5 (29.3)	41.8 (35.5)	24.2	11.3
Graduate school	14.9 (10.9)	20.2 (15.0)	21.6 (16.0)	36.0 (30.8)	22.7	15.7
Socioeconomic status:						
Low	30.8 (22.8)	52.6 (43.0)	46.7 (38.7)	64.3 (56.3)	15.8	6.4
Middle	22.6 (16.7)	37.5 (30.2)	34.5 (29.3)	55.1 (46.6)	25.0	10.4
High	14.4 (10.9)	22.2 (16.4)	25.0 (17.3)	38.6 (33.3)	22.6	13.8

Source.—The Condition of Education, 1978.

Unaided students and less than adequately aided students are more likely to withdraw from college than are students who receive adequate assistance.

CLARIFYING THE REQUIREMENTS FOR STAFF DEVELOPMENT ACTIVITIES

A fourth Council recommendation relates to the Training Authority first authorized in the 1976 Amendments. The Council recommends that monies authorized under the Training Authority should be made available as grants rather than contracts. Projects funded under this authority should include conferences, internships, seminars and workshops designed to improve the operation of TRIO programs and the legislation should mandate that training be appropriate to local needs. The legislation should also require that grants be made only after consultation with regional and State associations of persons involved in the projects.

Very frankly, these recommendations are designed to address problems which currently exist in the management and operation of the training activities authorized under this subpart. Two million dollars was set aside out of the $115 million TRIO appropriation for fiscal 1978 for training activities. One two million dollars contract was let—and very little input was sought or accepted, either by the Office of Education or the contractor, with regard to the operation of the training. As a result, the training has not been as sensitive to local needs as is desirable. And, even when allowance is made for the fact that this is the first year of the project's operation, it must be concluded that the training is not as cost-effective as it should be.

The problem, of course, is extremely troublesome to the NCCEOA. In a moment I am going to argue the Council's position that the TRIO authorization level should be raised to $400 million. In a few weeks I and other representatives of the NCCEOA are testifying before Congressman Natcher's Subcommittee to urge an increase in the TRIO appropriation for fiscal 1980. With the recent increases in the TRIO appropriation—from $70.3 million in 1976 to $140 million in fiscal 1979—the need for staff training is especially critical. Between fiscal 1976 and fiscal 1978, the number of new Special Services projects alone rose by 30% and these new staff members need effective nuts and bolts training which is not presently available. Since we in the TRIO-based Associations accept the responsibility for representing the needs of disadvantaged students to the Congress, concomitantly, we must and do accept the responsibility for assuring that those monies appropriated are spent in the most effective possible manner. The recommendations [illegible]garding staff development activities offered by the NCCEOA were made to furthe[illegible]his end.

INCREASING THE AUTHORIZATION LEVEL

Finally, as I mentioned previously, the NCCEOA is recommending an increase in the TRIO authorization level from $200 million to $400 million. Currently, while appropriations stand at 70 percent of the authorization level, less than 6 percent of the target population is served. Even with full funding, less than 9 percent of the currently eligible population would receive services.

Projecting appropriation increases comparable to those received since fiscal 1976 and a pattern of allocation of funds by the Office of Education similar to that employed by them in fiscal 1978, the distribution of TRIO monies would be as follows. This projects an annual 33 percent increase for Talent Search projects, an annual 18 percent increase for Upward Bound projects, and an annual 53 percent increase for Special Services projects. Figures on the number of persons eligible for Educational Opportunity Centers under the revised criteria were not available.

Fiscal year	Talent search	Upward bound	Special services	EOC's	Training authority	Total
1977	8.9	41.5	30.6	4	—	85
1978	12	49	47	5	2	115
1979	14	55	63	5	3	140
1980	21	68	85	7	6	187
1981	29	80	115	9	7	240
1982	38	94	156	10	10	308
1983	51	111	214	12	12	400

Assuming a 12 percent increase in cost per individual served in fiscal 1981 to accommodate the increased variety and concentration of services mandated by the reauthorization recommendations, and an 8 percent increase in cost per individual served in other years, to accommodate increased costs, such funding would allow the provision of services to the following numbers of individuals:

UPWARD BOUND

Fiscal year	Funding level	Cost per client	Persons served	Percent[1]
1977	41.5	$1,233	33,657	0.7
1978	49	1,307	37,490	.9
1979	55	1,411	38,979	.9
1980	68	1,524	44,328	1.0
1981	80	1,707	46,865	1.1
1982	94	1,844	50,976	1.2
1983	111	1,991	63,464	1.3

[1] Eligible population served. Projected target population equals 2,871,455. Based on Survey of Income and Education, Commissioned by HEW, 1976

TALENT SEARCH

	Funding level	Cost per client	Persons served	Percent[1]
Fiscal:				
1977	8.9	$52	171,153	1.7
1978	12	55	218,181	2.2
1979	14	59	237,288	2.4
1980	22	64	328,125	3.3
1981	29	72	402,777	4.0
1982	38	78	487,179	4.9
1983	51	84	607,142	6.1

[1] Eligible population who could not be served. Projected eligible population equals 6,563,325 (based on survey of Income and Education, commissioned by HEW, 1976)

SPECIAL SERVICES

	Funding level	Cost per client	Persons Served	Percent[1]
Fiscal:				
1977	30.6	$326	93,865	16.2
1978	47	346	135,838	23.5
1979	63	374	168,449	29.1
1980	85	404	210,396	36.4
1981	115	452	254,424	44.0
1982	156	488	319,672	55.0
1983	214	527	406,072	70.4

[1] Eligible population who could not be served. Projected eligible population equals 577,350 (based on unpublished HEW materials.)

TRIO offers both young people and adults in this society an opportunity to achieve upward mobility at a relatively small cost to the federal government. These programs increase the effectiveness of the other Student Assistance Programs authorized under Title IV especially by decreasing the waste which student attrition often represents. Moreover, they serve to assure that the Student Assistance Programs will be utilized to achieve to the fullest extent possible one of their major intended goals: greater equality of opportunity in postsecondary education. This task requires a $400 million investment.

These recommendations submitted by the NCCEOA reflect the full consideration of TRIO practitioners and are intended to increase the effectiveness of the Special Programs for Students from Disadvantaged Backgrounds. We appreciate the consideration this Subcommittee has already given to the recommendations and welcome any inquiries or comments you might have.

Testimony of Dr. Luther R. Dease, Director, Upward Bound Program, Western Michigan University Kalamazoo, Mich. and President of the Michigan Council of Education Opportunity Programs

Mr. Chairman and members of the subcommittee, my name is Luther R. Dease and I am appearing before this subcommittee as an Upward Bound director at Western Michigan University. I am also president of the Michigan Council of Educational Opportunity Program and a member of the Mid-America Association of Educational Opportunity Program Personnel. My comments are my own and are based upon my experiences and knowledge acquired from available literature on the subject.

My involvement with Upward Bound began with the program's inception at Western Michigan University. I have serviced student participants as instructor, resident coordinator and assistant director. In June, 1969, I assumed the directorship. I have been an Upward Bound project director for ten years. My experiences and contributions have been rewarding.

During the past year, I took over the reins as president of the Michigan Council for Educational Opportunity Programs.

The Michigan Chapter of the Mid-America Association of Educational Opportunity Program Personnel exists to promote the interest of professional educators concerned about advancing the concept of secondary and post-secondary education.

The association's mission is to broaden access and choice, and to increase retention of educationally disadvantaged students.

Historically, education after high school was usually planned for the elite. Students who satisfied the academic and financial requirements for admission were usually admitted without reservation. For those who did not meet the necessary criteria for admission, college was beyond their reach.

Two major barriers prevented many students from entering into higher educational institutions. They were: (a) poor academic preparation; this eventually leads to denial of college acceptance for admission; and, (b) insufficient financial resources to defray the cost of college expenses. The latter barrier illustrates that there is a need for full financial aid funding for students to matriculate in college. The new proposed recommended legislation addresses itself to this issue.

Upward Bound is a pre-college, federally funded program that is designed to help high school students from low income families develop the skills and motivation necessary for success in college. I personally view the program as preparing the students with survival skills. Our program at Western Michigan University has three (3) major objectives. They are:

1. To decrease the dropout rate by increasing the retention;
2. To generate skills and motivation; and
3. To increase entry rate into postsecondary institutions.

The program also strives to change negative attitudes to positive ones. In other words change "I can't" to "I can."

There are several core functions related to the recommended legislation. These were not mentioned in the past legislation. I will list and comment on each core function and their relative importance.

Reading, Writing, Mathematics, etc.: These three courses taught along with speech and listening form the core unit in the communicative skills. It is recommended that a concerted effort be rendered to upgrade student participants in the above mentioned areas prior to college matriculation.

Personal Counseling: During the summer phase, counselors and directors spend many hours counseling involving: (1) Who am I? (2) Value clarification; (3) Conducting self-defeating behavior seminars; and (4) Placing emphasis on career counseling.

Academic Advising: It is recommended that directors and counselors advise student participants on the college preparatory requirements they will need for their college major.

Tutorial Services: This task is continuous. Some directors view tutoring as an important component for academic survival in high schools generally, but more importantly seen as a necessary supportive service in both the summer phase and academic school year.

Exposure to Cultural Events: It is recommended that exposure to cultural events assist in building the enrichment of background experiences. One can assume that the world of the student could broaden and take on a new dimension as a result of this exposure. Examples of such cultural exposure are: (1) the King Tut exhibition; (2) the musical play "The Wiz"; and (3) exploring the Museum of Science and Industry in Chicago, Illinois. Students learn from these experiences. Their value system is somewhat altered also.

Expanding the Eligibility Years from 13 to 19: This new recommended legislation lowers the eligibility age from 14 to 13. This age group range is not inclusive of veterans.

The recommended legislation encourages "instruction designed to prepare youths participating in the project for careers in which persons from disadvantaged backgrounds are particularly underrepresented." As a project director, I have been appalled at the disadvantaged students who shun the sciences as a major field in college. I recently completed a study at my host institution. One of my findings was that no evidence was found that Upward Bound students would select science majors at a higher rate than non-Upward Bound students.

The Upward Bound intervention, as supported by the literature and was to a slight degree supported in my study, might have an impact on students to remain in college and obtain the college degree. There is an historical pattern by minority persons in college to refrain from selecting science majors. Emphasis in the form of special thrust in the science area and workshops are needed if more students are to be encouraged to select science majors.

In 1976 the Research Triangle Institute, under contract with the United States Office of Education, conducted a study of the Upward Bound programs. The major findings of this study suggested that (a) the program increased entry into postsecondary education for disadvantaged students (71% of Upward Bound participants as compared to 47% of the comparison group); (b) the length of time a student is in the program is directly related to the probability of postsecondary enrollment; and (c) the study revealed that about 76% of Upward Bound students beginning postsecondary education entered four-year colleges and universities as compared with 45% of the control group.

Mr. Chairman, I am pleased to have been invited to appear before this committee. I hope that my remarks will prove useful.

STATEMENT OF DANNY EALUM, TRIO DESK DIRECTOR, UNITED STATES STUDENT ASSOCIATION

Mr. Chairman and members of the committee, I would like to thank you for the opportunity to be here today. My name is Danny Ramon Ealum. I am Director of the TRIO Desk, an intern position with the United States Student Association (USSA). I am on leave from Vincennes University in Indiana, where I am currently enrolled as a freshman in the pre-law program. I would not have made it this far if it had not been for the TRIO programs, namely Upward Bound.

Born and raised in Evansville, Indiana, where I am the oldest of five children, my family has had difficult times just like many other disadvantaged families. When I was a high school freshman I had a very difficult time adjusting to the new school to which I had been bussed. This difficulty grew worse until I was expelled from high school for the rest of the semester. During this period I was fortunate enough to meet Mrs. Verna Cooper, who was in charge of the Upward Bound program in Evansville, Indiana. Mrs. Cooper got me into the Upward Bound program and encouraged me to return to school and graduate.

I found through my personal experience that Upward Bound was not a welfare program but a strong educational program. The intensive instruction in math, reading, and English improved my basic skills so that I could compete effectively in the classroom. The elective classes offered in the Upward Bound curriculum broadened my horizons and outlook. I learned to think in terms of a professional career.

Not only has Upward Bound provided me with tutorial assistance and career counseling, but most of all, Upward Bound has given me the feeling of being somebody. When I was in Upward Bound we lived on campus at Vincennes University and really got the feeling of being on our own. The program also encouraged us to get involved in activities, even if we weren't the best in them. Staying and participating in the Upward Bound program has made my mother very proud of me and also helped me to set an example for my three brothers and one sister.

In particular, I found that Upward Bound helped me realize there are people who are willing to help you when times get rough. Without TRIO programs, such as Upward Bound, and the beautiful people who have helped me, I would not have reached this point today. I probably would have delayed going to school and graduating. Upward Bound has given me the opportunity to get a college education, while in the process teaching me to respect myself and others around me.

I have come before you to tell you how important and effective the TRIO programs are, and the need for full funding of these programs. It is my duty, as a TRIO student, to testify and make way for the millions of disadvantaged students, like myself, who have not yet experienced the unusual opportunities in the TRIO programs to their fullest potential.

WHAT SHOULD BE THE AUTHORIZATION LEVEL FOR THE TRIO PROGRAMS?

Program: Special Programs for Students from Disadvantaged Backgrounds [TRIO)

Public Law Number: 93-318, as amended by 94-482 Common Title: Education Amendments of 1976, Subsection Designation: Title IV (Student Assistance), Part C.

Purpose of the program: To identify qualified students from low income families, or who have academic potential but may lack adequate secondary education; are physically handicapped; suffer from backgrounds of severe rural isolation or cultural deprivation to prepare them for post-secondary education, and to provide special services for such students.

Reauthorization Recommendation: $400 million

General Comment: The United States Student Association (USSA), which represents 3 million college and university students, is requesting that the authorization level be raised from $200 million to $400 million. In 1976 the authorization level was raised from $100 million to $200 million as a result of an amendment introduced by Mrs. Chisholm. The fact that Mrs. Chisholm introduced an amendment to raise the authorization level from $100 million to $200 million, a substantial increase, tells us that the TRIO programs are effective and necessary for providing the economic and culturally deprived student with access to a post-secondary education. Yet funding at the $200 million level would provide access to only 25% of the eligible population. There are currently over 1200 TRIO programs in existence, but applications number over 1400. Given the size of the target population and the level of appropriations and increases which would be necessary to begin to meet unmet needs, it was determined that $400 million is an appropriate and necessary authority level.

If the authorization level were raised to $400 million, it would allow the provision of TRIO services to more students who are eligible for the program but cannot participate now because of lack of funding.

THE FIRST GENERATION CONCEPT

The reauthorization language for eligibility of participants in Upward Bound and Special Services for Disadvantaged Students should be changed to include the first generation concept. A first generation college student should be defined to be a person whose natural or adoptive parents did not complete a baccalaureate degree.

This is an important concept if we are truly concerned about keeping the spirit in which the legislation was originally passed—that is to open doors and to provide access to post-secondary education where the doors have seemed closed. In my case, I am a first generation student. Although my parents do not have a college education, they do have a dream that I will be college educated. My going through those college doors, hopefully, will have a rippling effect. My brothers and sister, seeing my success will be encouraged to try harder to achieve, and surely I will see that my sons and daughters complete post-secondary schooling. The first generation concept is a good one because it will have the effect of ensuring wider access and it will ensure a more efficient use of monies because of the rippling effect it will have in individual families.

Therefore, I feel strongly that the eligibility criteria language should be amended to include the first generation concept.

STUDENT FINANCIAL AID

One point of concern for all students enrolled in Special Services for Disadvantaged Students programs is financial aid. Coming from a disadvantaged background, program students are unable to bring financial resources to school. It is important that schools receiving federal funds for Special Services programs be committee also to ensuring that Special Services students receive adequate financial aid packages so that these students may stay in school. A strong directive needs to come from this reauthorization process to the host schools so that program monies, and financial aid monies are not wasted but are wed in a common goal—the successful completion of post-secondary education by program students.

These are some of the most critical points for reauthorization. To aid you in your consideration is a statement of detailed information about the TRIO programs, including descriptions of each program, summary statistics, evaluations and funding history. As you can see, TRIO programs have been very effective in increasing high school retention, and graduation rates, and college entrance, retention and graduation rates. USSA views TRIO as an investment to protect the multi-billion dollar investment the Federal Government has in student aid. If disadvantaged students are given the financial support they need, but are denied academic support, they will drop out of college. The end result of this will simply be unfulfilled educational goals for the students and wasting of the governments student aid funds.

DESCRIPTION OF THE TRIO PROGRAMS

TRIO was authorized under Section 417, Higher Education Act of 1965 in Subpart 4, Special Programs for Students from Disadvantaged Backgrounds. (As amended by the 1976 Education Amendments.)

The legislation authorized services specifically designed to identify and assist youths from low-income families who have academic potential, but who may lack adequate secondary school preparation, who may be physically handicapped, or who may be disadvantaged because of severe rural isolation, to enter, continue, or resume programs of secondary and post-secondary education.

These programs came to be known as the TRIO programs including: Talent Search [TS) 1965; Upward Bound (UB) 1965; Special Services for Disadvantaged Students (SSDS) 1965; Educational Opportunity Centers (EOC) 1972; Service Learning Centers (SLC) 1976; and Training Authority [TA) 1976.

Talent Search.—Off campus community based recruiting programs designed to: Identify youths of financial or cultural need to complete secondary or undertake post-secondary education; publicize and provide students with information on existing student financial aid; encourage secondary or college dropouts of demonstrated aptitude to continue or resume post-secondary education; and two-thirds of TS participants must meet low income criteria.

Upward Bound.—On campus, post-secondary preparatory recruitment program designed for high school youths of grades 10-12: To generate skills and motivation necessary for success in education beyond high school; to provide youths from low income backgrounds and with inadequate secondary school preparation with a variety of academic and cultural activities on a full-time basis during the summers and academic years; and to provide tutorial assistance in areas of English, Math and other areas of inadequate preparations.

Special Services.—On campus compensatory and counseling services for post-secondary education students designed to: assist students from deprived educational, cultural or economic backgrounds, the physically handicapped and those with limited English speaking ability who are in need of such services; provide tutorial assistance in compensatory skills courses, reading, writing, math, communications; provide counseling and supportive services for students in need of information, academic and personal support assistance; and provide educational bilingual teaching, guidance and counseling.

Educational Opportunity Centers.—On and off campus educational resource, information and recruitment centers serving areas with major concentration of low income families designed to: assist residents who demonstrate need to pursue post-secondary education; provide information, counseling and assistance on admission and financial aid; provide counseling and tutoring for enrolled students from the area who need such assistance; and provide counseling and recruitment information to staff of neighboring high schools, colleges and universities.

Service Learning Centers.—on campus compensatory and counseling service: ⅓ of SLC participants do not have to fit the low income criteria; and designed to provide compensatory educational and other special services for students who are enrolled or accepted for enrollment in that institution.

Training Authority.—On and off campus staff and leadership personnel training. Institutions, public and non-profit private organizations may contact the Commissioner of Education to: develop and provide inservice training programs for TRIO staff and personnel; and improve their skills and the delivery and effectiveness of services.

STATISTICS ON THE TRIO PROGRAMS

Program: Special Programs for students from Disadvantaged Backgrounds [TRIO); Public Law Number-92-318, as amended by 94-482; Common Title—Education Amendments of 1976; and Subsection Designation—Title IV (Student Assistance, Part C.)

In 1975-76 [TRIO) programs served 284,350 students, 32,000 in Upward Bound programs, 112,000 through Talent Search; 89,750 in Special Services; and 50,000 students at Educational Opportunity Centers.

(1) The Upward Bound program is increasing entry into post-secondary education for disadvantaged students. Among high school graduates in the class of 1974, 71 percent of the Upward Bound participants entered post-secondary education compared to 47 percent of the comparison.

Upward Bound projects on the whole retain 60-70% of their students through high school graduation, place 50-60% of those graduates in college, and report that 60-80 percent of those entering college are retained for two or more years.

34 percent of Talent Search clients are not high school graduates 60 percent of the high school graduates are placed in post-secondary institutes, a figure representing 4,404 post-secondary placements by projects reporting.

[In percent]

Enrollment rates students served	TRIO student	Comparative group	TRIO student	Comparable group[1]
(UB) 48,603	70.7	46.7	72	47
[TS) 58,404	78.0	19.0	72	24
(SSDS) 23,485	——	——	64	36

[1] College retention rates.

Special services—Retention rates	Number of students	Percent of students
Satisfactory academic progress	6,948	30
Transferred to other college/university	2,181	9
Graduation	5,781	25
Total	14,781	64
Insufficient aid	982	4
Personal reasons	5,185	22
Total	6,167	26
Academic dismissal	2,227	9
Administrative dismissal	181	1
Total:	2,408	10

(1) Excluding Special Veterans Programs-Research Triangle Institute, North Carolina Program year 1974. (2) Comparative Group-students enrolled in some high school as selected Upward Bound students, and who would ordinarily be eligible.

In 1977, Rep. Shirley Chisholm aimed to get from $100 to $250 million for TRIO programs. Chisholm also gave a speech on the house floor lauding achievements of the TRIO programs. In particular, she cited an ongoing Office of Education study of 14 Upward Bound projects which shows that its students enter post-secondary education at a 66 to 70 percent rate, compared with the 30 percent mark of a control group from similar backgrounds.

Amounts appropriated: fiscal year 1976-$70.3 million—fiscal year 1977-$85 million—fiscal year 1978-$115 million—fiscal year 1979-$140 million, amount needed for fiscal year 1980-$200 million, which is full funding. An appropriation of $200 million would allow the provision of services to approximately 570,000 students, an increase of 110,000 students over the estimated number to be served in fiscal 1979.

Authorization should be increased to $400 million.

TRIO PROGRAM OPERATIONS AND EVALUATIONS

A. Upward Bound.—1975-76, 403 (UB) projects were funded (2 new projects and 401 continuing projects). The grants to projects ranged from $26,863 to $360,000 with an average of $95,105. Approximately 46,181 students were served by the program. Of the 403 projects, 324 were hosted by four-year colleges or universities, 58 were hosted by two-year colleges, and five were hosted by vocational schools.

The latest available program data shows that in 1976 over nine thousand (9,245) Upward Bound participants completed high school and that about 70 percent of these were planning on entering some form of post-secondary education—mostly college (69 percent). About 6,327 (68 percent) of the 1976 graduates actually enrolled in colleges the same year.

71 percent (UB) students entered post-secondary institutions compared to 47 percent of the comparison.

B. Talent Search.—1975-76, 116 projects were funded with the $6 million appropriation; of these projects 111 are continuing, 5 are new. The grants ranged from $6,000 to $170,000 with an average grant of $51,716. Average cost per client was estimated by the program at $41, based on the estimated total of 146,000 clients to be served.

In the 1975-76 academic year, 46,895 clients were placed in post-secondary education with an additional 29,358 accepted, but not yet enrolled. Approximately 21,000 actual or potential dropouts were persuaded to return to school or college. Slightly more than 4,000 were enrolled in high school equivalency programs.

Based upon the reports of the 100 of the 130 funded projects from July 1, 1976 through December 31, 1976, approximately 6,100 actual or potential dropouts were persuaded to return to school or college. Nearly 1,200 clients were enrolled in high school equivalency programs. In addition, slightly more than 24,000 clients were placed in post-secondary education with an additional 6,300 accepted, but not yet enrolled.

C. Educational Opportunity Centers.—On June 30, 1976, the Educational Opportunity Centers Program completed it second year of operation. Final reports submitted to the OE central office indicated that the twelve funded projects provided various forms of counseling and assistance to 37,169 participants. Eight HEW regions hosted one center each, while two regions hosted two centers each. The average grant was $250,000 and the average cost per participant was $81.

I. TOTAL NUMBER OF PARTICIPANTS BY CENTER. ESTIMATED COST PER PARTICIPANT

State	Number	Cost
1. Massachusetts (I)	3,837	$84
2. New Jersey (II)	679	368
3. New York (II)	5,794	51
4. District of Columbia (III)	1,234	243
5. Alabama (IV)	4,968	50
6. Ohio (V)	2,479	62
7. Texas (VI)	4,494	55
8. New Mexico (VI)	1,509	99
9. Missouri (VII)	3,781	85
10. Colorado (VIII)	3,052	81
11. California (IX)	4,116	68

I. TOTAL NUMBER OF PARTICIPANTS BY CENTER. ESTIMATED COST PER PARTICIPANT—Continued

State	Number	Cost
12. Washington (X)	1,226	133
Average cost per participant	37,169	81

Due to the newness of this program, an evaluation has not been conducted. Program data for the first year of the program shows that 12,412 participants were placed in postsecondary schools or other types of training programs, and 2,707 participants had been accepted by a postsecondary institution but had not yet begun their studies. More than 100,000 individuals received some assistance through the centers.

D. Special Services for Disadvantaged Students.—In fiscal year 1975, 327 projects were funded (9 new and 318 continuing). The grants ranged from $15,000 to $250,000, with an average grant of $70,333. The average cost per student was $228. Approximately 50 percent of the clients are black, about 25 percent were white, and about 20 percent were of spanish decent. Approximately 55 percent of the clients were female. A small portion, roughly 3 percent, of the clients reported family incomes of $9,000 or more. Approximately 63 percent of the clients reported incomes of $6,000 or less. During the period from July 1, 1976 through December 31, 1976, 366 projects were funded with a $23 million appropriation, of these projects 55 received two month funding for the transition quarter ending September 30, 1976.

Based upon 329 reporting projects of the 366 total, the cost per client was $337. Approximately 5 percent of the clients were culturally or educationally disadvantaged, 6 percent were of limited English speaking ability, independent of the low income criteria. About one-half of the clients were black, 24 percent were white, and 17 percent were hispanic.

PROGRAM EFFECTIVENESS AND PROGRESS

Program records show that in fiscal year 1975 (program year 1975–76), approximately 90,000 students participated in the Special Services programs. Of this number, about 66,500 received supportive services for the entire period; about 5,800 students showed adequate academic and personal adjustment and moved out of the program into the regular academic channels of the host institutions; about 5,800 graduated from the host institutions, and about 2,200 left the host institution to transfer to other colleges, and presumably were making satisfactory progress, or transfer would probably not have been possible.

TRIO PROGRAMS—NUMBER OF PROJECTS FUNDED

In the fiscal year 1978 with an appropriation of $115 million, 1025 projects were funded. For the fiscal year 1979, the funding increased to $140 million and the number of projects jumped to 1250.

However, the total request for funding was $205 million for 1,507 projects as follows:

[Dollar amounts in millions—Numbers in parens are projects]

Program	New projects requested	Continuing projects requested	Total requests
EOC	$10.75 (51)	$6.3 (22)	$17 (73)
TS	9.9 (90)	15.4 (130)	25.3 (22)
UB	18 (113)	61 (376)	79 (489)
SSDS	26.6 (245)	56.8 (480)	83.4 (725)

Note.—The aggregate demand for exceeded the $140 million appropriation and even exceeded the maximum authorized funding level of $200 million.

SPECIAL SERVICES PROGRAM FUNDING HISTORY

[In millions of dollars]

Fiscal year	Total authority	Total appropriate	TS	UB	SS	EOC	Training authority
1970	56,680	44,601	[1]5,000	29,601	10,000		
1971	96,000	50,000	5,000	30,000	15,000		
1972	96,000	51,000	5,000	31,000	15,000		
1973	100,000	67,331	6,000	38,331	23,000		
1974	100,000	70,331	6,000	38,331	23,000	3,000	
1975	100,000	70,331	6,000	38,331	23,000	3,000	
1976	100,000	70,331	6,000	38,331	23,000	3,000	
1977	200,000	84,400	8,900	41,500	30,000	4,000	
1978	200,000	115,000	12,500	49,700	45,500	5,300	2,000
1979	200,000	140,000	15,300	61,000	55,000	6,300	2,400

[1] Funded since 1966, starting at $2,000,000

TESTIMONY OF FUJI F. ADACHI, DIRECTOR, DIVISION OF STUDENT EDUCATIONAL OPPORTUNITY, UNIVERSITY OF WYOMING

Mr. Chairman and members of the subcommittee, let me begin by stating that the TRIO Programs, more specifically the Upward Bound and Special Services projects, have done a great deal towards advancing the cause of equal educational opportunity at the secondary and postsecondary levels. The TRIO reauthorization is imperative in order for this effort to continue. Equal educational opportunity is especially important at the University of Wyoming, since it is the only four year institution (public or private) in the entire state. The University of Wyoming is the only and final resource for disadvantaged students to pursue or obtain a baccalaureate degree.

The National Coordinating Council of Educational Opportunity Associations (NCCEOA) has submitted a position paper on the TRIO program's reauthorization to this subcommittee on February 16, at the Chairman's request. I would like to discuss three recommendations concerning eligibility requirements for project participants, contained within that document. My remarks will concentrate on the Special Service program, but many of the recommendations can generally refer to all the programs within the TRIO legislation.

Before getting into the three specific recommendations, I shall discuss the rationale for changing the eligibility requirements contained in the current legislation. The current legislative language uses terms such as "limited English speaking ability", "deprived educational background," and "severe rural isolation" as eligibility requirements. In addition to being unclear and ambiguous, these terms are not uniformly measurable and not easily verified. The three eligibility requirements which the NCCEOA paper recommends, alleviates this problem within the current legislative language and also specifies a definite target population and generates a population in need of services provided by TRIO Programs.

The intent of the position paper submitted by the National Coordinating Council of Educational Opportunity Associations is to eliminate all of the current legislative language concerning eligibility requirements for Special Service participants and replace it with the following three recommendations.

The first recommendation is to include the relatively new concept of the "first generation college student." The term "First Generation College Student" means a person whose parents have not completed a baccalaureate degree. This concept is aimed at helping the children of disadvantaged families. It is positive in its approach, since we are requiring that students be the first, in their immediate family to complete a baccalaureate degree. As opposed to the negative connotation derived from former terminology, such as "educationally or culturally deprived or severely isolated." Also note that the term "first generation college student" is clear, unambiguous, uniformly measurable and easily verified.

The Survey of Income and Education (1976) shows that the first generation college student is less likely to graduate from high school or college than a non-first generation college student and that the first generation college student generally comes from a family with a high incidence of poverty. The data clearly shows that this population is in need of services provided by TRIO Programs, but this is not the issue. The issue is the documented need for services by the population that is both first generation college and low-income, which brings us to our second recommendation. It concerns the definition of a low income individual. The current law uses the poverty level established by the Bureau of Census, but experience has shown that many students who need help with study, reading, writing and math skills are eliminated from Special Service projects, because of the current definition of low-income. The National Coordinating Council of Educational Opportunity Associations recommends that the term "low income individual" means a person from a family whose taxable income for the preceeding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of Census. An example of the type of student, who was excluded by the current definition of low-income and who would be included using this new definition is as follows. During the last semester a student was referred to me by an instructor. The instructor reported that this particular student was failing his math class and was lacking in many of the essential verbal and writing skills. Just by talking to this student I could determine that this student desperately needed some tutorial assistance to bridge gaps in his mathematical background and to catch up with the rest of his class. In checking on his eligibility for the Special Service project, I received the following information. He was supporting a family of four on a taxable income of approximately $7,000. The current economic guidelines for the Special Service Project mandates that the taxable income for a family of four must be less than $6,190. This student was of course refused admittance into the Special Service Project since he was approximately $800 over the allowable earnings. I don't believe that being $800 over the current economic guidelines makes this student any less needy of the services provided by the project, than a student who meets the current economic guidelines. Using the 150 percent of the poverty level, would allow any student, who comes from a family of four to earn at most $9,285 and hence the student mentioned above would be eligible for the project. I strongly recommend that the 150 percent of the poverty level be used as our eligibility requirement.

Let us now consider the population of students who are both first generation college students and who meet 150 percent of the current poverty level. Information gained from the Survey of Income and Education (1976) shows that this population has a great need for services provided by Special Services and Upward Bound projects. Only 15.08 percent of this population is currently enrolled in college, and 80% of this population do not even attempt college. Even more startling is the fact that over one fourth, 27.54 percent of these students, do not even complete high school. Certainly this population is in need of services provided by TRIO Programs.

The third recommendation is to provide services to physically handicapped students. Information gained from the Wyoming Department of Vocational Rehabilitation shows that 12.09 percent of the residents of Wyoming are disabled citizens. This high incidence of physically handicapped persons can be explained by the fact that Wyoming is now facing a great deal of mining, due to the increased energy development. This means that the number of industrial or mining accidents have increased and consequently the number of physically handicapped persons have also increased. Wyoming is a very rural state and there are great distances between towns and many of the roads are narrow and not maintained. The great distances between towns gives drivers reason to speed on the narrow roads, hence auto accidents occur at very high speeds, which cripples or kills many of the persons involved in such accidents. Hence this also adds bases for the high incidence of physically handicapped persons. This high incidence of physically handicapped persons in the State of Wyoming, makes the issue of equal educational opportunity paramount for the University of Wyoming. Approximately one-third of the students in the Special Service Project at the University of Wyoming are physically handicapped. Some of the services provided to these handicapped students would include providing instructional aids, such as taped books for the blind, helping the handicapped students through the registration procedure, informing instructors of the accommodations they can make to help the students survive academically and socially, and scheduling classes to insure that the ten minute time interval between classes is long enough for them to get from one class to another. Many of our physically handicapped students don't socialize with the general student population or vice versa, so we have established a club, called the Walk and Roll Alliance to reach out to the general student body and to provide opportunities for interaction with able bodied citizens. Many of the physically handicapped students lack confidence and become overly dependent on others. To help these students gain confidence and independence, we encourage them to do as much as possible on their own. One activity, for instance, which helps to improve the self concept and general well-being among our handicapped students is skiing. The Special Service Project at the University of Wyoming has made formal arrangements with the ski school for the handicapped at Winter Park, Colorado for our students to enroll in ski classes. One such student who has completed his degree here at the University and improved his self-confidence is presently employed as our physically handicapped counselor.

Many of the handicapped students would not even attempt to pursue a baccalaureate degree or continue their post-secondary education if it were not for the services provided by the Special Services project at the University of Wyoming.

The complete recommendation for the eligibility requirement in the Special Services project is as follows: "In approving applications for Special Services projects under this subpart for any fiscal year the Commissioner shall—

> (1) require an assurance that not less than 66⅔ percent of the persons participating in the project proposed to be carried out under any application—(A) be physically handicapped, or (B) be low-income individuals and be first generation college students.
>
> (2) require an assurance that the remaining percentum of students participating in the project proposed to be carried out under any application either be low-income students, first generation college students, or physically handicapped.

My closing remark is to say that a typical financial aid package for a Special Service student at the University of Wyoming consists of $1,100.00 BEOG, $660.00 SEOG, $950.00 workstudy or N.D.S.L. or a combination of Workstudy and N.D.S.L. to total $950.00 and $200.00 in state funds, which comes to a total of $2,910.00. To safeguard this state and federal investment it seems to me that it would be quite cost effective to spend another $300.00 to keep this student in college.

Thank you for the opportunity to present these recommendations to this Subcommittee and I welcome any questions or further inquiries about any or all of these recommendations.

Mr. FORD. We would like to have you proceed in whichever order you prefer. We can start with Arnold, I guess. Please add to, supplement, or highlight your statement as you feel most comfortable.

STATEMENT OF ARNOLD L. MITCHEM, DIRECTOR, EDUCATIONAL OPPORTUNITY PROGRAM, MARQUETTE UNIVERSITY, MILWAUKEE, WIS. AND CONVENOR, NATIONAL COORDINATING COUNCIL OF EDUCATIONAL OPPORTUNITY ASSOCIATIONS

Mr. MITCHEM. Thank you very much.

I am Arnold Mitchem, director of the educational opportunity program at Marquette University and convenor of the National Coordinating Council of Educational Opportunity Associations.

I want to express our deep appreciation for the opportunity to testify before the subcommittee this morning.

At this point, I would like to introduce two of my colleagues and a young man who participated in one of our four programs, Upward Bound. To my left is Mr. Fuji Adachi who is the chairman for the Division of Student Educational Opportunity Programs at the University of Wyoming. To my right is Dr. Luther Dease, the director of the Upward Bound project at Western Michigan University. Further to my right is Mr. Danny Ealum who is the director of TRIO for the United States Students Association.

Mr. Chairman, this panel will focus on two of the four programs in TRIO: Special Services for Disadvantaged Students and Upward Bound. Both of these programs are campus-based. That is, they conduct their activities on college campuses. The Upward Bound program serves students who are enrolled in high school; it attempts to motivate them to go to college, and provides them skills which are necessary to compete successfully in college.

On the other hand, Special Services serves undergraduate students in colleges and universities, and provides them with supportive services such as tutorials, academic advising, personal counseling, instruction in the basic skills, reading and math skills and postbaccalaureate placement assistance.

The aim of both of these programs is to complement the student financial aid programs by addressing the noneconomic barriers to equal educational opportunity.

Mr. Chairman, I would like to stress the fact that we view these programs as a necessary and integral part of the Federal strategy of student assistance and that we believe it is quite appropriate that they are included in subpart 4 of title IV of the Higher Education Act of 1965. This inclusion serves as recognition that the concept of student assistance must include provisions for students from disadvantaged backgrounds, particularly, and for many students from nondisadvantaged backgrounds generally, if student assistance is to equalize gaps in educational preparation, and compensate for cultural and social deficits which inhibit an individual's persistence in earning a baccalaureate degree.

Simply put, we believe these programs enhance the quality of opportunity available and, their experience, argues that the concept of student assistance must, in the years ahead, give more weight and consideration to student support services. Such consideration would bring to thousands of individuals a quality opportunity in higher education.

Mr. Chairman, I am going to highlight five recommendations that have been developed by the National Coordinating Council, and which were submitted to the subcommittee on February 15 in our draft legislation.

First, I would say that the National Coordinating Council is an umbrella for 10 TRIO-based organizations in the United States. It is an organization of organizations.

The recommendations that we are going to make this morning reflect a process that took 9 months; meetings were required in four cities: Denver, Cleveland, Portland, Oregon, and Arlington, Va.

The first recommendation that I would like to highlight is one that clarifies the authority for the four programs. It is our judgment that this recommendation, if adopted and accepted by the subcommittee, will eliminate the overlap and duplication that has plagued the programs, overlap which has drawn criticism from time to time.

Specifically, we would like to recommend the elimination of service learning centers, a program that the Office of Education has not allocated funds for, which we believe duplicates the efforts of Special Services for Disadvantaged Students.

Second, I would like to point to our recommendation which clarifies and expands the definition of the eligible population.

What we are trying to do here, sir, is to rationalize eligibility. We have done this by developing uniform eligibility for both Special Services and Upward Bound. The sole exception is that in Special Services a provision is included to expand eligibility to physically handicapped students.

More importantly, we have introduced a notion of first generation. This concept includes and aims at the children of those families where neither the father nor the mother have earned a baccalaureate degree.

Now, this thinking grew out of our experience that the noneconomic factors which I have mentioned before in this testimony do, in fact, affect both access and retention.

The third recommendation is that there should be greater coordination between the TRIO programs, particularly, Special Services, and the student assistance programs.

We feel that if students are enrolled in one program, such as Special Services, that student should be assured adequate financial aid based on need at that institution.

On a personal note, we made the judgment at Marquette University in 1969 that Special Services students should be provided full aid to the extent of need and that position has served us well in terms of our retention factor.

The next recommendation that I would like to highlight are those which pertain to the training authority which was enacted in the 1976 Education Amendments. We believe that this particular authority relates to the critical issue of the effectiveness and efficiency of service delivery.

As you have pointed out, the TRIO programs have been growing. That means that a lot of personnel working in them have limited experience.

Also, I must point out that it is impossible to earn a bachelor's degree, a master's degree, or a Ph. D. in a discipline necessarily appropriate for this particular kind of activity. So we find that it is important to authorize that certain kind of activity which will enable the enrichment and enhancement of professional skills that are necessary to provide services to our students.

The last point I would like to make is that the National Coordinating Council of Educational Opportunity Associations recommends an increase in the TRIO authorization level from $200 million to $400 million. This reflects, in part, the recent confidence that the Congress and the broader higher educational community has placed in the TRIO programs, as well as the clear indication of the need. Currently, somewhat less than 8 percent of students who are eligible for TRIO are being served.

We feel that $400 million authorization will certainly provide sufficient dollars to allow the continued expansion of these programs over time.

That concludes my remarks, sir. At this point, I would like to turn to Mr. Adachi who will elaborate on some of the points I made, particularly those dealing with eligibility.

Thank you.

Mr. Adachi.

STATEMENT OF FUJI ADACHI, CHAIRPERSON, STUDENT EDUCATIONAL OPPORTUNITY PROGRAMS, UNIVERSITY OF WYOMING, LARAMIE, WYO.

Mr. Adachi. Congressmen, I am honored to be here.

My name is Fuji Adachi, and I am the chairman for the Division of Student Educational Opportunity at the University of Wyoming.

Equal educational opportunity is especially important at the University of Wyoming, since it is the only 4 year institution—public or private—in the entire State. The University of Wyoming is the only and final resource for disadvantaged students to pursue or obtain a baccalaureate degree.

My topic for today is to discuss three recommendations concerning eligibility requirements for the Special Service program.

Before getting into the three specific recommendations, I shall discuss the rationale for changing the eligibility requirements contained in the current legislation. The current legislative language uses terms such as "limited English speaking ability", "severe rural isolation", and "deprived educational background", as eligibility requirements. In addition to being unclear and ambiguous these terms are not uniformly measurable and not easily verified.

The three eligibility requirements which the NCCEOA paper recommends, alleviates those problems within the current legislative language and also specifies a definite target population and generates a population in need of services provided by TRIO programs.

The first recommendation is to include the relatively new concept of the first generation college student. The term "First Generation College Student" means a person whose parents have not completed a baccalaureate degree. The concept is aimed at helping the children of disadvantaged families. It is positive in its approach, since we are requiring that students be the first, in their immediate family to complete a baccalaureate degree. As opposed to the negative connotation derived from former terminology, such as "educationally or culturally deprived or severely isolated." Also note, that the term "first generation college student" is clear, unambiguous, uniformly measurable, and easily verified.

The second recommendation I would like to present, deals with the definition of a low-income individual. Currently the term low-income individual means "a person from a family whose taxable income for the preceeding year did not exceed 100 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of Census." Experience has shown that using 150 percent of the poverty level would be a better definition of a low-income individual. For instance, last semester a student was referred to me by an instructor. The instructor reported that this particular student was failing his math class and was lacking in many of the essential verbal and writing skills. In checking on his eligibility for the Special Service project, I received the following information. He was supporting a family of four on a taxable income of approximately $7,000. The current economic guidelines for the Special Service project mandates that the taxable income for a family of four must be less than $6,190. He was not eligible for our project. I don't believe that being $800 over the current economic guidelines make this student any less needy of the services provided by the project, then a student who meets the current economic guidelines. Using the 150 percent of poverty level, would make this student eligible.

Let us now consider the population of students who are both first generation college students and who meet 150 percent of the current poverty level. Information gained from the Survey of Income and Education (1976) shows that this population has a great need for services provided by TRIO programs. Only 15.08 percent of this population is currently enrolled in college, and 80 percent of this population do not even attempt college. Even more startling is the fact that over one-fourth, 27.54 percent of these students, do not even complete high school. Certainly this population is in need of services provided by TRIO programs.

The third recommendation is to provide services to physically handicapped students. Information gained from the Wyoming Department of Vocational Rehabilitation shows that 12.09 percent of the residents of Wyoming are disabled citizens. This high incidence of physically handicapped persons can be explained by the fact that Wyoming is now facing a great deal of mining, due to the increased energy development. This means that the number of industrial or mining accidents have increased and consequently the number of physically handicapped persons have also increased. Wyoming is a very rural State and there are great distances between towns and many of the roads are narrow and not maintained. The great distances between town gives drivers reason to speed on the narrow roads, hence auto accidents occur at very high speeds, which cripples or kills many of the persons involved in such accidents. Hence, this also adds basis for the high incidence of physically handicapped persons. This high incidence of physically handicapped persons in the State of Wyoming makes the issue of equal educational opportunity paramount for the University of Wyoming. Approximately one-third of the students in the Special Service project at the University of Wyoming are physically handicapped. Some of the services provided to these handicapped students would include providing instructional aids, such as taped books for the blind, helping the handicapped students through registration procedure, informing instructors of the accommodations they can make to help the students survive academically, and scheduling classes to insure that the 10 minute time interval between classes is long enough for them to get from one class to another.

Many of our physically handicapped students don't socialize with the general student population or visa versa, so we have established a club, called the Walk and Roll Alliance to reach out to the general student body and to provide opportunities for interaction with able-bodied citizens.

Many of the physically handicapped students lack confidence and become overly dependent on others. To help these students gain confidence and independence, we encourage them to do as much as possible on their own. One activity, for instance, which helps to improve the self concept and general well-being among our handicapped students is skiing. The Special Service project at the University of Wyoming has made formal arrangements with the ski school for the handicapped at Winter Park, Colo. for our students to enroll in ski classes. One such student who has completed his degree in social work, here at the university and improved his self-confidence, is presently employed as our physically handicapped counselor.

Many of the handicapped students would not even attempt to pursue a baccalaureate degree or continue their postsecondary education if it were not for the services provided by the Special Services project at the University of Wyoming.

The complete recommendation for the eligibility requirements in the Special Service program is as follows:

> Not less than two-thirds of the participants must be physically handicapped or they are both low-income individuals and first generation college students. The remaining participants must be physically handicapped or low-income or first generation college students.

Thank you for the opportunity to present these recommendations to this subcommittee and I welcome any questions or further inquiries about any or all of these recommendations.

Mr. **Ford**. Thank you very much.

Mr. Dease.

STATEMENT BY LUTHER DEASE, DIRECTOR, UPWARD BOUND PROJECT, WESTERN MICHIGAN UNIVERSITY, KALAMAZOO, MICH.

Mr. **Dease**. Mr. Chairman and members of the subcommittee. My name is Luther Dease. I am appearing before the subcommittee as the Upward Bound director at Western Michigan University in Kalamazoo. I am also president of the Michigan Council of Educational Opportunity programs and a member of the Mid-America Association for the Educational Opportunity Program personnel.

My comments are my own, and are based upon my experiences and knowledge acquired from available literature on the subject and 10 years as the project director of the Upward Bound program.

As president of the Michigan Council for Educational Opportunity programs, I along with my colleagues am concerned with the improvement not only of Upward Bound but also with the improvement of quality program effectiveness within the State of Michigan as far as the TRIO programs are concerned.

Mr. Mitchem and Mr. Adachi discussed some points that I will not repeat. Instead, I will discuss the Upward Bound program.

Historically speaking, education was planned for the elite and those who could afford it. Those who had poor preparation in high school and had inadequate financial support were seen to view college as beyond their reach.

Upward Bound gives students a sense of hope and a space in which to grow. In order for a student to survive in school, it is essential to evaluate Upward Bound as one of the programs that prepares students for the survival skills and motivation that the student will need while he is in school.

In view of the declining enrollments in colleges around the country, we see a paramount interest, in terms of Upward Bound and other programs, to be particularly concerned about the quality of education not only within the high schools, but also in terms of what we are providing for the Upward Bound students.

As far as Upward Bound is concerned, we aim to do three things which we have successfully accomplished at Western. Other programs are doing likewise.

No. 1. To decrease the dropout rate from high school by increasing the retention of students in high school.

No. 2. To generate the skills and the motivation necessary for college success. That would be in the areas of reading, writing, math, and et cetera.

No. 3. To increase the entry rate in postsecondary institutions and, in so doing, we realize that there are two big barriers:

The first barrier that prevents students from entering into higher educational institutions would be (1) poor academic preparation, or college acceptance—one or the other. The second barrier is insufficient financial resources to defray college expenses.

I see here that the TRIO and financial aid recommended legislation tie in together, hand in hand. I cannot see a student going to college if the necessary resources are not available, nor with inadequate preparation.

In the recommended legislation, there are core functions that are important to view. I am looking at six that were not listed in the past recommended legislation:

No. 1. The reading, writing, and math skills, along with the listening skills, are very important, that are listed, and should be implemented within the program. I wholeheartedly endorse it.

No. 2. Personal counseling is something that is needed, and is being done throughout the Upward Bound programs from the progress record down to the counseling.

No. 3. Academic advising is very important in high school. Students not only look at the classes that they are now taking, but also the classes that they should take in order to have good college preparation. High school preparatory classes will enable them to be well qualified to go to college.

We do not want students to get into a general contracting system. We want them to be prepared to take the right classes. There is the tendency for some students to shun math and science.

No. 4. Tutorial services are recommended not only at the high school level. In working with students, many high school administrators have seen the need to establish within their own high school a tutorial system.

No. 5. Exposure to cultural events. We have taken students to see the King Tut Exhibit. We have taken them to a lot of other places. Some liked the experience and some did not, but they had the opportunity to see things of this nature for the first time. It has often been said that if a student is required in an art class to draw an oak or a cherry tree, and the student has never seen that tree, it is very difficult for the student to do the drawing.

So what we do in the Upward Bound program—and I am glad to see this in the recommended legislation for education—is to expose the students to a variety of cultural events, not only exhibits in museums, but also a lot of the social events that they are interested in. But we like to expose them to a number of other things as well.

No. 6. The last thing that I believe is very important is that it has been recommended that we expand the age of students who are going to be eligible candidates for the Upward Bound program from age 13 to 19—in the legislation.

Mr. **Murphy**. What is the present age in the bill?

Mr. **Dease**. Fourteen.

Mr. **Murphy**. Fourteen to nineteen.

Mr. **Dease**. Right. We recommend dropping it down one age.

Mr. **Mitchem**. From fourteen.

In 1977, they made a provision for veterans.

Mr. **Murphy**. Providing for the veteran?

Mr. **Mitchem**. Yes, sir. That is my understanding.

Mr. **Murphy**. Thank you.

Mr. **Dease**. In the legislation we should encourage the students to pursue the study of science.

A study that I recently completed showed that Upward Bound students, that is, in our host institution, did not select science majors at a higher rate than non-Upward-Bound students. In other words, there was no significant difference between the groups that selected science majors. As I mentioned previously, minority students and Upward Bound students, particularly, try to shun away from the sciences. They do not look at science as the subject that they would like to select as a major.

With the new legislation, we hope that in the recommended legislation, we would try and increase the number of students who are going into the science majors.

The Resource Triangle Institute at North Carolina recently completed a study which revealed two important findings as far as Upward Bound is concerned:

No. 1. The Upward Bound program increased entry into postsecondary education for 71 percent of the Upward Bound participants as compared to 47 percent of non-Upward-Bound participants of similar background.

No. 2. Seventy-six percent of the Upward Bound students beginning college entered 4-year colleges and universities as compared to 45 percent of the controlled group.

I am very pleased to have been invited to give testimony on behalf of Upward Bound, and I hope that my remarks will prove useful to this committee.

Thank you very much.

Mr. **Mitchem**. Mr. Ealum.

STATEMENT OF DANNY EALUM, TRIO DESK DIRECTOR, UNITED STATES STUDENT ASSOCIATION

Mr. **Ealum**. Mr. Chairman and members of the subcommittee, I would like to thank you for the opportunity to be here today.

My name is Danny Ealum. I am director of the TRIO desk, an intern position with the United States Student Association.

I am on leave from Vincennes University in Indiana, where I am currently enrolled as a freshman in the prelaw program. I would not have made it this far if it had not been for the TRIO programs, namely, Upward Bound.

Born and raised in Evansville, Ind., where I am the oldest of five children, my family has had difficult times just like many other disadvantaged families.

When I was a high school freshman, I had a very difficult time adjusting to the new school to which I had been bused. This difficulty grew worse until I was expelled from high school for the rest of the semester.

During this period, I was fortunate enough to meet Mrs. Verna Cooper, who was in charge of the Upward Bound program in Evansville, Ind. Mrs. Cooper got me into the Upward Bound program, and encouraged me to return to school and graduate.

I found, through my personal experience, that Upward Bound was not a welfare program, but a strong educational program. The intensive instruction in math, reading, and English improved my basic skills so that I could compete effectively in the classroom. The elective classes offered in the Upward Bound curriculum broadened my horizons and outlook. I learned to think in terms of a professional career.

Not only has Upward Bound provided me with totorial assistance and career counseling, but most of all, Upward Bound has given me the feeling of being somebody.

When I was in Upward Bound, we lived on campus at Vincennes University, and really got the feeling of being on our own. The program also encouraged us to get involved in activities even if we were not the best in them.

Staying and participating in the Upward Bound program has made my mother very proud of me, and has also helped me to set an example for my three brothers and one sister.

In particular, I found that Upward Bound helped me realize there are people who are willing to help you when times get rough. Without TRIO programs, such as Upward Bound, and the beautiful people who have helped me, I would not have reached this point today. I probably would have delayed going to school and graduating. Upward Bound has given me the opportunity to get a college education while, in the process, teaching me to respect myself and others around me.

I have come before you to tell you how important and effective the TRIO programs are, and the need for reauthorization of these programs.

It is my duty, as a TRIO student, to testify and make way for the millions of disadvantaged students, like myself, who have not yet experienced the unusual opportunities in the TRIO programs to their fullest potential.

As a general comment, the United States Student Association, which represents three million college and university students, is requesting that the authorization level be raised from $200 million to $400 million.

In 1976, the authorization level was raised from $100 million to $200 million as a result of an amendment introduced by Mrs. Chisholm.

The fact that Mrs. Chisholm introduced an amendment to raise the authorization level from $100 million to $200 million, a substantial increase, tells us that the TRIO programs are effective and necessary for providing the economic and culturally deprived student with access to a postsecondary education. Yet, funding at the $200 million level would provide access to only 9 percent of the eligible population.

There are currently over 1,200 TRIO programs in existence, but applications number over 1,400. Given the size of the target population and the level of appropriations and increases which would be necessary to begin to meet unmet needs, it was determined that $400 million is an appropriate and necessary authority level.

If the authorization level were raised to $400 million, it would allow the provision of TRIO services to more students who are eligible for the program, but cannot participate because of the lack of funding.

The first generation concept: The reauthorization language for eligibility of participants in Upward Bound and Special Services for disadvantaged students should be changed to include the first generation concept. A first generation college student should be defined as a person whose natural or adoptive parents did not complete a baccalaureate degree.

This is an important concept if we are truly concerned about keeping the spirit in which the legislation was originally passed. That is, to open doors, and to provide access to postsecondary education where the doors have seemed closed.

In my case, I am a first generation student. Although my parents do not have a college education, they do have a dream that I will be college educated. My going through those college doors, hopefully, will have a rippling effect. My brother and sister, seeing my success, will be encouraged to try harder to achieve, and surely, I will see that my sons and daughters complete postsecondary schooling.

The first generation concept is a good one because it will have the effect of insuring wider access, and it will insure a more efficient use of money because of the rippling effect it will have in individual families.

Therefore, I feel strongly that the eligibility criteria language should be amended to include the first generation concept.

My last point is one that I would like to make about student financial aid. One point of concern for all students enrolled in Special Services for disadvantaged students programs is financial aid.

Coming from a disadvantaged background, program students are unable to bring financial resources to school. It is important that schools receiving Federal funds for Special Services programs be committed also to insuring that Special Services students receive adequate financial aid packages so that these students may stay in school.

A strong directive needs to come from this reauthorization process to the host schools so that program moneys and financial aid moneys are not wasted, but are wed in a common goal: The successful completion of postsecondary education by program students.

These are some of the most critical points for reauthorization.

To aid you in your consideration for the reauthorization is a statement of detailed information about the TRIO programs, including descriptions of each program, summary statistics, evaluations, and funding history.

As you can see, TRIO programs have been very effective in increasing high school retention and graduation rates, and college entrance, retention, and graduation rates.

USSA views TRIO as an investment to protect the multibillion dollar investment the Federal Government has in student aid. If disadvantaged students are given the financial support they need but are denied academic support, they will drop out of college. The end result of this will simply be unfulfilled educational goals for the students, and wasting of the Government's student aid funds.

Once again, I would like to thank you for having been here. If you have any questions, I would be happy to answer them.

Thank you.

Mr. **Ford**. Thank you very much.

I would like to say—to make a personal observation—that I am very pleased to see this recommendation, but I think it is evidence of an evolutionary process that is taking place.

A few years ago when my predecessor, Mr. O'Hara, and some of us who joined with him talked about the first generation concept, it proved to have a very bad reaction.

The Upward Bound program, as you know, was in the old Economic Opportunity Act, and was regarded as a part of the war on poverty, and that word, "poverty", excited all kinds of reactions, positive and negative, but for many years, groups of people who stood with us trying to protect the poverty program during the years that it was being dismantled felt that any retreat from the original concept in that act was, in fact, the retreat from the commitment that the original act made in President Johnson's time.

It has been very difficult for people to look at a program like Upward Bound in educational terms, and not in terms of responding to a statistically defined population without regard to their existence or needs as real human beings.

If I could write this program myself, I would make the first generation requirement paramount over all others.

Maybe you can tell me, Arnold, what percentage of the people involved currently in the program would not meet the first generation criteria that you set forth.

Mr. **Mitchem**. I do not have any precise figure, Mr. Ford, but it is my sense, in terms of the data that I have looked at, that only a very low percentage of the students who are currently enrolled in the program would not be first generation college students.

Mr. **Murphy**. I know that if we found out, it would only be a discrepancy of approximately about, I think, 0.25 percent.

Mr. **Mitchem**. Of the persons currently enrolled.

Mr. **Murphy**. Yes.

Mr. **Ford**. In fact, first generation students by this definition.

Mr. **Mitchem**. Yes.

Mr. **Ford**. You and I could have used that.

We get an extra part of this.

Neither of my parents, unfortunately, had the opportunity to attend high school because they came here at a time when young people were expected to go into the mines—in the case of my father—at the age of 15. And until the day of his death, he was still telling me that the only escape was to find the way to get into school.

It has been unfortunate that the economic factor of the family income has been such that only rigidly applied criteria have been used. I have been able to observe the programs, and it is said that an industrial worker who works sporadically, or an industrial worker who currently has five or six children who are dependent on him who himself had no opportunity for education is disqualified with respect to his children because it just happens to be that he is currently working, which is not a very realistic appraisal of the needs of the people in that family. They could have used that.

I guess what I am leading up to is the question: Can we now talk about prioritizing admission to the program on the fact that it would seem to leap over low income? If everybody is virtually already meeting the first generation criteria, what we are really talking about when we apply the criteria in the percentage that you talk about here is admitting more people without regard to the limitation of 100 or 150 percent, or whatever figure is derived at the poverty level of income. In other words, as I get your suggestion, at least one-third of the people in the Upward Bound program could be above the poverty level but, as first generation, qualify in that criteria alone.

Mr. **Mitchem**. Right. Yes.

Mr. **Ford**. What is the traditional poverty program constituency going to say to us about that?

Can that be viewed as some kind of watering down of aid for low income people?

Mr. **Mitchem**. I think there are those who will take that position.

We have tried to come up with a political balance, but I do feel that there are people who will strongly take the position that there has to be some income factor included in the eligibility criteria. That is the thinking that grew out of the discussions around the country. So I do not think, at this point in time, politically, that one could make a move away from some kind of income factor. That is, in our judgment.

Mr. **Ford**. The current figure that we would be talking about is the 100 percent of poverty.

Mr. **Adachi**. That would depend on the number of dependents. That would be around $9,000. $9,285, in fact.

Mr. **Ford**. That is almost $4,000 below what the Department of Labor says it costs to be poor in Detroit. Very unrealistic.

Mr. **Adachi**. Yes.

Mr. **Mitchem**. Perhaps another standard of poverty might be more appropriate than the one that they discussed such as the Bureau of Labor statistics, lower budget category.

Mr. **Ford**. It is interesting for the purpose of determining access to a BEOG grant for the same student that comes out of Upward Bound.

Once you are talking to a student aid officer about what kind of Federal assistance we are going to give financially, they take a more realistic look at the ability of the family if it is willing to support the educational efforts of the student, and it is not as arbitrary. It determines both the eligibility and the size of the BEOG grant based on variables that, although they are imperfect, nevertheless, provide a better idea of whether that particular student at that particular time during that school year has a potential for family assistance or not.

Now, this measure that we have been using in the Upward Bound program, on the other hand, is really such that, except to the extent that there is an adjustment in family size and the level of poverty which everybody recognizes as urban poor, it is ludicrous.

Mr. MITCHEM. Discriminatory.

Mr. FORD. Is there a chance?

Mr. ADACHI. Yes.

Mr. FORD. I do not know how. Even Molly Orshansky told us a number of years ago that she thought it was unwise for us to continue to use her formula to distribute educational funds because it was never intended to be used for that kind of purpose, and notwithstanding her personal views not to use it, it has become enshrined as a sacred measure of poverty.

Mr. MITCHEM. Right.

Mr. FORD. And it certainly makes no sense to poor people to tell them that they are not poor any more when they pass the Orshansky level.

[Laughter.]

Mr. FORD. Mr. Buchanan.

Mr. BUCHANAN. Thank you, Mr. Chairman.

First, let me say that my questions do not come from a hostile party. I am one of Shirley Chisholm's admirers and followers in this Congress, and have been on this matter as well as on some others.

I am concerned, however, about what we are accomplishing in education in the United States generally, and this leads me to some questions about what is happening to TRIO and Upward Bound.

Now, first of all, all of us tend to come from varying backgrounds. I, personally, come from a long line of teachers and preachers, all of whom had a college education, and none of whom had any money. So I had the personal experience of working my way through college, as a graduate student, and so forth, with some help from the GI bill. That leads to my first question.

You state: "mandate a provision for whole financial aid for Special Services students"; the basic recommendation does not trouble me, however, I want to know if you are including some form of self-help. Are you talking about total aid?

Mr. MITCHEM. We do get a get a good degree of that, Congressman Buchanan, loans, work-study or other earned income of the student's could be included in the package. We do understand that the notion of including a portion of self-help in every student's program is gaining popularity. We would have some reservation regarding the percentages with respect to disadvantaged students. It is our judgment that students in TRIO programs are already disadvantaged academically when they enroll, and that with respect to those students, it would make the remedial process very difficult if they were required to work. We have some concern, some reservation about including self-help. While we did not state it, there is that implication. We would recommend for instance, the greatest percentage of grant assistance possible.

Mr. BUCHANAN. I see.

Mr. MITCHEM. Particularly, in the first 2 years of college where the highest attrition exists.

Mr BUCHANAN. I am curious. Mr. Mitchem, you had a slightly different figure from the one submitted by the United States Student Association. This is a problem which we frequently encounter; that is receiving data which disagrees.

You stated that less than 9 percent of the eligible population are served. The United States Student Association says 25 percent.

Mr. MITCHEM. Surely. Danny came up with that figure. That is the highest percentage that I have ever heard. I hope he is right. I doubt it.

Our numbers are based at bottom on data that has been circulated by the Office of Education. I think that we are correct.

That does, in fact, correspond with other documents that OE has developed in recent years: that we are somewhere near, or under 10 percent in terms of the eligible population being served.

I think that the USSA figure is high.

Danny, you may want to comment as to where that figure came from.

Mr. EALUM. I did some research on this. This is not the research by the Triangle Institute, but it was another operation evaluation of the amount of programs. That is what it had in the book.

I looked in some other books and past testimony, and came up with that 25-percent figure, but I can go back and look that up again, and make sure.

Mr. BUCHANAN. I am not hostile to the inclusion of the first generation concept, but I am a little concerned about the rigidity of making it a requirement for every student, period. I understand that the measure may be a very good measure, if you insist in each case and in every case that this be a requirement for eligibility.

It just seems to me that there might be some circumstances where somebody, who had a baccalaureate degree is drafted to go to Vietnam and gets killed, leaving an uneducated and untrained wife and mother to become the head of the household. She does not make it very well, and the result is a disadvantaged family. I can just envision such circumstances.

Mr. MITCHEM. Surely.

Mr. BUCHANAN. I wonder if—I have to ask this of the chairman—when we get to it, we can provide for some little element of flexibility. There might be certain cases where flexibility is warranted.

Mr. MITCHEM. Well, the eligibility criteria, as we have indicated, does provide some flexibility in that one-third category, flexibility to the extent that the person would have to be a poverty person—that is, fall within the 150 percent of poverty—and certainly, that is not as much flexibility as you are suggesting, but, you know, it is always difficult to write perfect legislation to include every circumstance.

Mr. FORD. We take care of Mr. Buchanan's problem if we hit the same sort of thing that we do when we talk about the independent student, and when we talk about an existing parent with a baccalaureate degree.

Mr. MITCHEM. Mr. Murphy. Yes.

Mr. BUCHANAN. Do you aim strictly and only at the baccalaureate degree? It is my observation that one of the problems with education in this country is that we do not fit the education to either the employment opportunities, or always to the individuals. There are many people in this country who are highly successful without a baccalaureate degree, and many people who have a baccalaureate degree plus a correspondence course who do not have 50 cents to get themselves a cup of coffee.

Are you looking at anything beyond that, other than a baccalaureate, and are you doing any kind of testing, or any counseling in an attempt to lead people in the right direction for them?

Mr. DEASE. I can talk to this.

Mr. FORD. Before you respond to that, maybe I should read into the record, if the gentleman will yield.

Mr. BUCHANAN. Certainly.

Mr. FORD. The program for 1976-77: There were 418 Upward Bound projects funded, 29 new programs, and 289 were continuing programs, grants to projects, and $91,137 covered approximately 41,834 students.

Of the 418 projects, 368 were hosted by 4-year colleges or a university, 40 by 2-year colleges, and only 10 by vocational and technical schools.

So your concern is reflected in what the Office of Education is doing in passing out these grants.

I wish that you would comment, in answering Mr. Buchanan's question, on how we got into this position, whether there is a healthy distribution apropos of his question that we are putting an overwhelming emphasis on people attending an institution for the intended purpose of getting a baccalaureate degree.

Mr. DEASE. I would answer in this manner: that it depends on the specialized area that that person wants to get into, first of all.

We have approached it by using two angles. No. 1: If there is a community college nearby, and we are looking mainly at the financial situation, we recommend that a student in our program try to matriculate at a community college within his area. That saves a lot of expenses for the first 2 years. Then the student can transfer to a 4-year institution.

The particular areas of specialization depend on how far the student may go. It depends on his associates and the persons with whom he may come in contact, or with whom he may come in contact while in school.

We have had students to go on and finish college, and a small percentage have gone on to receive a master's degree. We have had some students who received a Ph. D. or a medical degree, but that is a very small percentage.

Again, it depends on the job, and what they really want to do with their lives.

Mr. MITCHEM. Yes. As you know, historically, these programs have received a large percentage of minority students, and all of us who are involved in the TRIO programs have felt very strongly that these programs should be about moving youngsters into the baccalaureate degree programs so that you may find that there is no quarrel with the distribution of programs among the types of institutions that you indicated, Congressman.

We feel that, particularly at this time when there is growth, but underrepresentation in certain critical academic categories such as medicine, dentistry, et cetera, that it is extremely important that we use these programs as one part of a strategy to address these burning issues.

And so—and perhaps I am getting at your question, Congressman Buchanan—in terms of value, priority, or preference. Clearly, we see these programs as baccalaureate-producing programs, as opposed to vocational programs.

There is a massive amount of federal assistance that goes into job training and very little that goes into this particular area. We would like to protect that interest if at all possible, sir.

Mr. BUCHANAN. I wish that we could reach every young person, like this one, who has a potential to be a doctor or a lawyer, or whatever requiring a baccalaureate degree, so that that person could make his or her full contribution to society, and become all that he or she could be. I wish we could reach every such person through this program, but in the process, it seems to me, there must be some people whom you are also going to reach whose capabilities would point in other directions.

Mr. MITCHEM. Correct. And in those instances, it seems to me incumbent upon us to have programs that have referral mechanisms to refer those individuals to experiences, that is, more educational experiences that would be more appropriate for those persons. We attempt to do that. I do not know. Maybe you would like to comment on that.

Mr. FORD. I note in your recommendations which you have submitted to the committee that you propose language which would effect a change in the existing law which would limit the grants to institutions that provide at least 2 years' work toward the baccalaureate degree so as to insure that disadvantaged students are encouraged to the fullest extent feasible to obtain college degrees.

Mr. MITCHEM. Yes. Yes.

Mr. BUCHANAN. I do not want to wear out your patience entirely, but I have two other questions.

Do you know anything with respect to a follow-up on this program since 1970? As you knew what had happened to some of the persons who had been in your program, you seem to have done some follow-up. Do you now do a follow-up on the students?

Do you have any recommendations to make to us as to a follow-up as a part of this system?

Mr. DEASE. One of the things—and I guess this, too, is a difficult task—is that we are in the process at our institution of following up all of the students who entered the program since its inception.

The difficulty is in terms of mobility of students. We know the ones who are deceased, or who have gone on through college.

The other thing that is very difficult, too, is the fact that high schools, by and large, do not keep records of their graduates. They only keep maybe a record of a transfer that was mailed to a particular college for that student to be admitted, and from that point on, there is no other information.

I would strongly recommend—in fact, I did recommend to the target high schools where I did some work, that they begin to look at this very seriously to create a data bank for storing this knowledge on their former students.

Mr. MITCHEM. That particular activity has never been assigned to the projects by the Office of Education, to my knowledge, nor has the Office of Education provided any funds to carry out the kind of program for the people about whom we are talking. We are talking about certain kinds of cost, if nothing else, in terms of time. It would be good to have this kind of data.

I think you will hear some testimony this morning subsequent to this panel that will alude to some followup which certainly explains and certainly draws out the importance of these programs. That kind of information is available, sir.

Mr. BUCHANAN. Thank you very much.

One more question, Mr. Mitchem. I had the privilege of offering one of Shirley Chisholm's legislative proposals, and that was the biomedical sciences program which we authorized in 1978.

Of course, that is the program for postsecondary students from economically disadvantaged circumstances who seek a career in biomedical science. It is the sort of thing that we have in the TRIO program.

Do you have any recommendation? Should that be consolidated with the existing TRIO programs, or should it not? Do you have any recommendation on that?

Mr. MITCHEM. Well, I think it should be considered. We are not surprised that it would come up. I guess one of the issues that will come up is the $40 million authorization for the biomedical program. How would that be protected? What impact would the relationship of that program have on the TRIO authorization. That is a tough question. We really have not taken it on.

Certainly, there are principles and directions that are inherent in the biomedical legislation which I think we can attempt to address and incorporate in some of the things we are saying which are particularly relevant to the programs. We have no quarrel with that program. It is a good program, in fact. As a matter of fact, we have supported that program.

Mr. FORD. Mr. Murphy.

Mr. MURPHY. Thank you, Mr. Chairman.

I am sorry that I missed Mr. Mitchem's statement.

I just want to ask: Did you clarify the distinction between Upward Bound and Talent Search? Do you feel that there is any overlapping of these programs?

They both seem to be intended to assist the same type of program.

Mr. MITCHEM. No. Where we feel that the most serious overlapping exists is in the case of Special Services for Disadvantaged Students and the Service Learning Centers. The Service Learning Centers program was authorized in 1976 and it, like Special Services, is campus-based, and is a supportive service program providing tutorial service in the basic skills, counseling, et cetera, and in every respect duplicates Special Services.

We are recommending the elimination of that program.

Mr. MURPHY. Maybe we could combine all of this: Upward Bound and Service Centers.

Mr. MITCHEM. No. I do not think so, sir, because they serve different interests and different things. Let me try to explain that.

Upward Bound, for example, only focuses on youth who are enrolled in high schools, whereas the Special Services program focuses on undergraduates for colleges and universities.

Mr. MURPHY. I can see that in Special Services, but I am talking about Talent Search.

Mr. MITCHEM. Talent Search and EOC.

Mr. MURPHY. Right.

Mr. MITCHEM. No. We see some distinctions there. We see the focusing of the Educational Service Center on the adult learner. Talent Search's continuing mission is to serve youth.

Historically, we have found, as we have gone about the country and looked at these programs in practice that this is so.

Mr. MURPHY. So Upward Bound is the same as Talent Search. They are programs for the youth in high school.

Mr. MITCHEM. They provide different services. Talent Search operates, more or less, as a referral mechanism. It is a recruitment device. It is the kind of program where persons walk into the office, and they get a service. They are informed about financial aid. They are informed of the opportunities through which they can get financial aid, and college counseling. They assist the student in completing the application.

Mr. MURPHY. Does Upward Bound do that, too?

Mr. MITCHEM. Upward Bound does that, too.

Upward Bound, in addition, does more. For 6 or 8 weeks in the summer they provide students remedial services to assist them in gaining entrance into college. They also have a much more intensive academic program. Talent Search does not have these features, or characteristics at all.

Mr. MURPHY. Congressman Buchanan had a good suggestion. It might be wise, when you come back and give us your views next year, if you would advise every person who is concerned with this to give us a data bank to show us the history of progress.

Mr. Ealum has a single instance where he can show that, but if you could bring *x* number of students who were in Upward Bound, the case history, the percentage of how many have gone on to college, have they gone to college, who completed college, what field did they go into, I think that would give those of us who are supportive of those programs some greater insight, and it would fill a real need, not only need, but production.

I want to add one final thing that Chairman Ford alluded to and also, Congressman Buchanan: That as we regress with inflation and we have an expanded number of people who become economically disadvantaged even though they are in the $12,000 and $14,000 bracket and have four or five children, the constituency that we have supportive of these programs narrows. We do not broaden the economic base, and if we narrow it on programs such as the first generation concept, we then narrow the constituency that we have to draw upon to support us to support the program. Unless we occasionally think about broadening the program, or those persons who benefit from then, we lose numbers here.

So think of that when you are in your meetings and in your counsel and in deciding what your policy positions are to keep the criteria as we had it in 1964. Remember that we are going into 1980, so a decade and a half has passed, and things have changed. Many people have become educated. Many people are finishing high school now who did not before. So the baccalaureate degree may not be the breakoff point.

Many people who are still poor today are making $15,000 a year, because of transportation, because of inflation, because of other things. OK?

Mr. MITCHEM. OK.

Mr. MURPHY. Think of those things because we are interested in continuing programs, but we can only get enough votes here to continue the programs if we have the constituencies who are concerned.

Mr. MITCHEM. Thank you.

Mr. MURPHY. Thank you.

Mr. FORD. I would like to note that in the Office of Education's annual evaluation report on educational programs, they describe Upward Bound in this way:

> The Upward Bound program is intended for youths from low income families that have an academic potential, but who lack adequate secondary school preparation, including those students whose inadequate secondary school preparation is the result of severe rural isolation.

How is the characteristic of academic potential, in fact, applied? Where does that get applied?

Mr. ADACHI. Just from a number of tests. Projects use the SAT, ACT, McGraw-Hill or Iowa tests. Academic potential is not uniformly administered throughout the Nation at all, and that is one of the problems with it. And so they just take an instrument, and test them, and then figure out exactly what the academic potential means from those tests.

Also, people get letters from counselors, or teachers, to say that this person has academic potential, in fact whatever definition the counselor has has chosen to document academic potential. So it is not uniformly administered at all in the present law.

Mr. FORD. But if the program were capable of, in fact, picking out of this target population, with an arbitrary statistical base, those people who, but for the inadequacy of their high school preparation as a reflection either of cultural problems that kept them out of high school, lack of access to a decent high school, or economic conditions which took them out of high school prematurely, if you could really identify that you were picking out that kind of person and then concentrating on the baccalaureate background, it would make a little more sense in terms of what we will be telling people in the years when we are passing this legislation. But if, in fact, it is only a very small program superimposed on the other assistance which is primarily targeted by economics, then it is not doing anything different. In other words, the BEOG program is intended, as NDSL was for a long time, as was work-study, to go toward a population on the basis of economics, the economic characteristics of that population.

This program was intended to meet the hunch that many people in education passed on to us, that in addition to the problem of just being poor, isolated, having linguistic problems, and other things, there were out there people who could be identified as having a potential for academic success, but that would not normally show up because they had 2 years of high school, and left for some reason.

Is there any evidence that, in fact, there has been any effort on the part of the program directors to factor in this consideration in a substantial way, and second, is it possible to do it? Is it kind of an impossible goal to ask all of these questions?

Some of us are very nervous about any kind of testing system that smacks of tracking, that smacks of stereotypes.

Maybe this is something that should not be in a law. Maybe we should not be holding it out as that kind of program if, in fact, it cannot be promulgated.

Mr. **Mitchem**. There are many different ways in which to define regulations. People always quarrel with whatever definition you come up with.

My experience has been that the method by which to identify a student who had academic potential is, basically, a subjective judgment.

There are programs where, I am sure, they may use elaborate testing to make this kind of determination. As to my experience, I do not generalize from my own program but just as to the whole professional community it is usually a subjective judgment.

Also, one argument, in terms of certain directives, that we have gotten from the Office of Education, is that people have been urged to move away from students with potential in terms of a lot of emphasis on students who had a lot of problems in high school, and not problems that can be related specifically to their cultural or social background, though that plays a factor.

For example—let me be more specific—there are youngsters in the country who are earning B's in high school but where those B's do not represent achievement levels commensurate with national norms.

There are persons who argue that they should not be enrolled as Upward Bound students because they are successful. If you take those students to college, I do not necessarily mean Harvard, or Yale, but take them to Pittsburgh, Oshkosh, what-have-you, many of these B students would have difficulty because the courses they had in high school had very little content.

So I guess that what I am trying to say is that people, to some extent, have been discouraged from going after students who might show some indication of having the kind of academic potential that is promising by placing emphasis upon those students who have D and F grades.

That is my experience, and it has been the experience of some others.

Mr. **Ford**. There are 368 successful grantees, baccalaureate institutions. Do these institutions have any common characteristics that indicate that there is any pattern of the type of institution that emerges that is willing to try to support the program and then, in turn, develop a successful application for the grant?

Mr. **Mitchem**. I have not been able to detect any. It comes from just a hodgepodge of the types of schools: 2-year, 4-year; mostly 4-year colleges, obviously.

Mr. **Dease**. We have institutions in Michigan.

Mr. **Ford**. The State university.

Mr. **Dease**. Hope College, which is not a State institution. Michigan State, Western Michigan University, Grand Valley State College, Cranbrook. Cranbrook is unique in that.

Mr. **Ford**. It surely is unique. [Laughter.]

Mr. **Dease**. It is very unique. As a matter of fact, they always call the Upward Bound/High Horizons program, where the students do not . . . Well, let me paraphrase. I will backtrack for just a second.

Mr. **Ford**. If you could find anybody from Cranbrook who ended up poor, I would like to meet them.

Mr. **Dease**. They have the program of Upward Bound and Higher Horizons.

The Higher Horizons program is funded by private donations and gifts from corporations.

If students fail to qualify through the economic criteria for Upward Bound, they can be pulled into the Higher Horizons program. They have similar characteristics except for income.

Michigan State University has an Upward Bound program. Oakland University also has an Upward Bound program.

Mr. **Ford**. Would Wayne be the largest?

Mr. **Dease**. Wayne State University is the largest. There are programs at Siena Heights College and Eastern Michigan University. I hope I have not omitted any, but there are ten.

Grand Valley State College is the latest one. It is a college with an Upward Bound grant. I would not say that each one has its own entity, but the basic goals and objectives are usually the same except for Cranbrook. It is a little different.

Mr. **Ford**. Except for Cranbrook and Michigan State, the schools you mention are pretty much drawing from a local population, are they not?

Mr. **Dease**. Well, we draw from one very small area. It is a rural population in Michigan, which has an enrollment of less than 400 students. Other than that, we have two class A schools and one class B school.

In terms of enrollment, we are talking about over 1,480 students for class A and under about 1479 for class B, but you are right. Most of them will draw from the larger populous instead of the rural areas except for maybe, Siena Heights. You know, they are going to draw from the rural area, but because that area is rural.

Mr. **Ford**. Is there anything else, Mr. Buchanan?

Mr. **Buchanan**. I guess not, Mr. Chairman. But we could keep them here all morning.

Mr. **Ford**. Thank you very much.

Mr. **Ford**. The next panel includes Dr. Monte Perez, who is the Project Director of NIE, The National Council of LaRaza; Sister Mary Agnes Schildkamp, who is the Director of Project Forward, Educational Talent Search at Seton Hill College; Ms. Irma Burks, who is the Special Project Officer of the Mississippi Valley State University, and Mr. Peter Fellenz who is the State Project Director of Educational Opportunity Centers for Massachusetts, Worcester Consortium for Higher Education.

Without objection, the statements prepared by the panelists will be inserted in full at this point in the record.

[The prepared statements of Dr. Perez, Sister Schildkamp, Irma Burks, and Peter Fellenz follow:]

PREPARED STATEMENT OF DR. MONTE E. PEREZ, LEGISLATIVE CHAIRMAN FOR THE NATIONAL ASSOCIATION FOR EQUAL EDUCATIONAL OPPORTUNITIES, AND MEMBER OF THE NATIONAL COORDINATING COUNCIL OF EDUCATIONAL OPPORTUNITY ASSOCIATIONS

INTRODUCTION

I would like to express my appreciation to you, Mr. Chairman and members of the subcommittee, for inviting this panel to address the reauthorization of Special Programs for Students from Disadvantaged Backgrounds, and more specifically the Talent Search and Educational Opportunity Centers. I am currently the Legislative Chairman to the National Association of Equal Educational Opportunities (NAEEO) which is a member of the National Coordinating Council of Educational Opportunity Associations and a member of the Hispanic Higher Education Coalition. The members of my panel include: (1) Sister Mary Agnes member of the Mid-Eastern Association of Educational Opportunity Program Personnel, (2) Ms. Irma Burke, past President of the Southeastern Association of Educational Opportunity Program Personnel, and (3) Mr. Peter Felenz, member of the New England Association of Educational Opportunity Program Personnel. All of their respective organizations are constituent members to the National Coordinating Council.

In our panel we wish to address four major points: (1) Cost effectiveness of the TRIO programs, (2) Program improvements considered under our recommendations, (3) enhanced articulation of Educational Opportunity Centers, Talent Search, and the Education Information Centers, and (4) rational for the revised eligibility criteria and the authorization level. We will begin with cost effectiveness, which will include a short description of the programs, but first I would like to make some overview remarks, regarding the mission of TRIO.

THE MISSION OF TRIO

TRIO was borne out of the sixties as part of the federal government effort to increase the enrollment of low income students by providing equal educational opportunities. It was recognized that low income students had several barriers confronting them. A major barrier was financial, but in addition it became clear that there was a need to provide academic support services to bridge many of the gaps low income students faced due to inadequate school preparation, lack of exposure to educational systems, and a lack of certain support structures. TRIO was designed to meet these deficiencies. Upward Bound was designed as a motivational and upward mobility (prompting higher expectations) program. Talent Search was designed to provide information and advisement, Special Services was designed as a retention program, and the Educational Opportunity Centers were designed for large urban and rural centers, as an information and advisement service.

These programs began to address the needs of the low income population. Later the need and subsequent demand increased significantly

THE NEED AND DEMAND FOR TRIO

Just looking at current figures for Talent Search and EOCs, one can readily see that the need far outweighs the current service level.

TABLE I.—AVAILABILITY OF SERVICES

	Funding	Number served	Percent of eligible population
At recommended levels—$155,000,000:			
Special services	$55,000,000	158,960	12.6
Talent search	15,300,000	191,250	2.0
Upward bound	61,000,000	46,780	1.8
Educational opportunity centers	6,300,000	94,000	.5
At present levels—$140,000,000:			
Special services	62,000,000	179,190	14.2
Talent search	16,800,000	210,000	2.2
Upward bound	66,000,000	50,610	2.0
Educational opportunity centers	7,400,000	110,450	.6

The total number of persons eligible for Talent Search services is approximately 9,368,500 (1979 Census data). Assuming a 6% inflationary increase in cost of services, if a constant level of funding is maintained, Talent Search projects will only be able to serve 191,250 persons in fiscal 1980, that is 2 percent of the eligible population. EOCs are intended to "serve areas with major concentrations of low income populations." According to the same 1979 Census report, 21,906,100 persons between the ages of 14 and 34 live in central city areas. Presuming that half that number live in areas with major concentrations of low income people, and that half again that number live in areas of high concentration of rural poverty, at least 16,429,500 persons are eligible for services from the Educational Opportunity Centers. Given inflation and a constant level of funding, EOCs will only be able to serve 94,000 individuals in fiscal 1980, i.e. less than 1% of the eligible population.

Beyond need the demand for these programs to assist communities and IHEs has increased. The federal government did an admirable job in exposing the need and prompting date and local education agencies to develop similar programs or search out for sources of funding. That search has led to a continued demand for TRIO services. The table on page 4 demonstrates this. Between fiscal 1976 and fiscal 1979 institutional demand for Special Services funds increased by 53 percent; demand for Talent Search funds increased by 21 percent; and demand for Upward Bound funds increased by 43 percent. This year the Office of Education was only able to meet two-thirds of the demand for Special Services funds, 61 percent of the demand for Talent Search, 77 percent of the demand for Upward Bound funds, and 37 percent of the demand for EOC funds.

DEMAND AND FUNDING PATTERNS

[Dollars in millions]

Program	Number of Proposals	Number of Projects Funded	Demand	Allocation
Fiscal 1976:				
Special Services	570	373	$54	$23.3
Talent Search	219	132	19	6.0
Upward Bound	471	424	55	38.1
EOC's	135	13	22	3.0
Total	1,395	942	150	70.3
Fiscal 1977:				
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Total	1,330	851	160	85.0
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Special Services	651	487	75	47.0
Talent Search	190	131	23	12.0
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Training Authority	4	1		2.0
Total	1,369	1,021	181	115.0
Fiscal 1979:				
Special Services	725		83	
Talent Search	220		25	
Upward Bound	489		79	
EOC's	73		17	
Training Authority				
Total	1,507		204	

Judging from the increased demand and the continued need of the eligible population, the central mission of TRIO has not changed significantly; there continues to be the mandate to provide a set of strategies that will insure equal educational opportunity and equity for many underserved Americans. The federal role in this effort continues to be prominent. But, although the mission has remained the same the strategies and interventions need to be improved to better serve the eligible populations. This is the thrust of the NCCEOA recommendations.

PROGRAM IMPROVEMENTS—EFFECTIVENESS AND EFFICIENCY

The NCCEOA recommendations have been designed to clarify roles, maximize resources, and improve service delivery to diverse populations. I want to highlight some of the recommendations to give the subcommittee a broad view, of how we propose to increase efficiency and effectiveness.

1. That TRIO programs delineate responsibilities in the following manner: (A) community and campus based projects, (B) level of enrollment (secondary vs. post secondary) and (C) the focus of Talent Search will be youth, and EOCs adults, except under unusual circumstances.

Distinguishing the role of community based and campus based programs is long overdue. Talent Search services are best provided in community settings. Talent Search is accessible, familiar with avenues of communications, and bridges the community and academic environment for easier transition. This was a driving rationale for the establishment of the EOCs which serve larger geographic locations. The age distinctions is to provide EOCs and Talent Search with a clearer target population, and tailored services will be enhanced. By delineating the target population and the role of community and campus based programs, duplications will be minimized.

2. That Talent Search add to their functions, tutorial services to encourage youth to re-enter programs of post secondary education.

The core services currently provided under the law include identifying and publicizing post secondary programs to eligible participants to enhance application and entry into post secondary education. But is has been recognized that merely identifying and encouraging youth to apply may not be enough. Particularly, if in the process of identifying and encouraging, many youth lack self confidence, in their preparedness to meet the academic rigors of a post secondary experience. Unpreparedness takes many forms. For many, it is merely review and confidence building (e.g. study habits, discipline etc.). For others, it is more indepth academic development, often times in one particular academic area (e.g. reading, writing, and math skills). The past several years has revealed that intensive tutorials focusing on a particular deficiency has tremendous payoffs and there is no need to thwart the desire or potential of a student to pursue post secondary education for an academic problem, which in many cases can be rectified in a relatively short period of time.

3. That EOCs provide counseling services and tutorials to students who are attending an institution where there is no Special Services Program.

This additional service is intended to assist returning adults with the transition from employment and household responsibilities to the academic environment. Special Services is capable of providing such a service, but in IHEs where there is no academic support program there is a need to fill this gap. EOCs can provide this service and assist IHEs to prepare returning students to engage the academic arena.

4. That there be a legislative provision for articulation between EICs, EOCs, and Talent Search.

These three programs sprung up in different periods of the equal educational movement. Talent Search is locally based, EOCs are regional, and EICs are state based. Given the large eligibility pool, the complexities of entering into a post secondary institution, and the need for state, regional, and local information and advisement, these three efforts need to coordinate. Our recommendations would insure that local based programs would have a hand in planning for a statewide information effort, and that both EOCs and Talent Search would be able to use the information packets at the local and regional level quickly. Such a partnership would increase efficiency in information dissemination (a major problem for underserved populations) and advisement strategies. It would render each effort more effective, since duplication would be minimized and concentration on local and regional service delivery would be centered upon.

The NCCEOA recognizes that program improvements alone, does not necessarily mean a greater efficiency of expenditures. We have taken pride in the past of the cost effectiveness of these programs, but we need to make sure, that program improvements continue that tradition. Again, it is important to note, that the costs remain very low when compared to other social interventions for similar populations.

COST EFFECTIVENESS

A year ago a New York Times series drew attention to the fact that two societies are emerging in black America—one group rapidly acquiring more education, better jobs and higher incomes; another mired in poverty, an unyielding underclass with few qualifications. Later that month, a series on Mexican Americans in the Washington *Post* depicted a similiar situation among the Hispanic population. Both series stressed the fact that only two options are open to state and federal governments as they consider the plight of poor Americans, be they black, Indian, Latino, or white. The nation can choose to maintain the poor in poverty, or it can provide these individuals various means of egress from poverty. Listed below are Department of Labor fiscal 1979 estimates comparing the relative cost of providing these type of services:

	Cost per Client
Job Corps	13,754
Youth Community Improvement Program	8000
Young Adult Conservation Corps	10,500
Youth Employment and Training Program	5000
Youth Incentive Entitlement Projects	5300

Certainly, when we consider that the cost per client for Upward Bound is $1,321 and the cost per client in Special Services is $326, and that the youth served by these programs generally come from backgrounds very similiar to those of the individuals assisted by the various Labor Department programs, the cost of providing compensatory educational services to this clientele seems strikingly low.

Although TRIO remains strikingly low in cost, there remains some gaps in our service. The Student Financial Assistance legislation in fiscal year 78, (MISSA) took into account that there are countless numbers of working class and lower middle class Americans who may just miss the financial aid criteria for participation, but are in need of assistance. TRIO likewise recognizes this gap. Thus, we need to extend this relatively low cost program to other needy families, who can benefit from these services.

As we investigated the current eligibility criteria and the authorization level, it became apparent that the current criteria had too many qualifiers and clarity of purpose needed to be established. In addition, the authorization level needed to be modified to accommodate the large pool of low income and first generation students, and meet the continued demand by institutions and communities to provides these essential services.

PROPOSED ELIGIBILITY CRITERIA AND AUTHORIZATION LEVEL

Two modifications to the current eligibility criteria was made; the insertion of the first generation criteria and the 150% poverty level over the Bureau of the Census criteria. The term "first Generation College Student" means a person whos parents (either parent) have not completed a baccalaureate degree, and the term "low income Individual" means a person from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census (Orshansky Poverty Criterion).

In the past eligibility criteria has been quite diverse. The current legislation contains a general paragraph on student eligibility for program services and specific language on eligibility under each specific program heading. The fairly long string of modifiers in each paragraph results in confusion regarding eligibility requirements at the project level. The proposed language suggests clear and definite guidelines on student eligibility for each program which focuses on the student's degree of educational disadvantage when compared to the general college going population. Such disadvantage is defined in terms of (1) the educational level of the student's parents, (2) the student's family income, and (3) the quality of the student's academic preparation.

The proposed revisions support the intent of the Middle Income Assistance Act. The expansion of TRIO services is also prompted by the expansion of the Student Financial assistance programs. To insure effective utilization of Student Financial Aid funds, TRIO support services must be available.

The intent of the proposed revisions is to reach the working class and lower middle income groups, who are right on the margin of current guidelines. This population should not be denied TRIO services, based on the following findings:

1. First generation students are less likely to graduate than non-first generation students.

2. First generation students generally come from families with high incidence of poverty, comparable to the current definitions.

3. First generation students include larege numbers of minorities similar to the current breakdown of minorities involved in TRIO programs.

4. Male and female participation is more equitable using the first generation criteria.

The proposed criteria is much more definable, and can be implemented at the federal and local level with less interpretative discrepancies as in the past.

THE AUTHORIZATION LEVEL

Given the current unserved population and the expanded mission of TRIO, justification for a 400 million authorization makes a great deal of sense. But beyond this, there are several points the subcommittee should consider:

1. TRIO needs to match support with the expanded BEOG (MISSA) mission. The scope of BEOG extends to populations that TRIO may not be able to serve within the current law. Our proposed eligibility revision will take care of this, but a hgiher authorization is warranted to set the process moving.

2. With the advent of Proposition 13 and other similar measures in response to budget constraints, state and local educational programs may be curtailed. This will create a vacuum, particularly in States with education opportunity efforts, supported by State and local funds. The federal share will play an important role in stabilizing and encouraging education opportunity support services during these difficult times.

3. TRIO remains a low cost program. An investment of 400 million creates an impact of three times that amount when you consider the ranges of services provided and all the IHEs and community organizations matching TRIO funds.

4. Lastly, a 400 million authorization is a national investment in the future of the American citizenry and economy. TRIO continues to provide upward mobility, breaking the cycle of social dependency and providing a mechanism for independence.

If TRIO could continue providing such a foundation, many Americans will go on the world of work and the affairs of a democratic society in a more responsible and prepared manner. This will only support the future economic and social development of the nation.

PREPARED STATEMENT OF DR. MONTE PEREZ, FOR THE HISPANIC HIGHER EDUCATION COALITION, APRIL 10, 1979

INTRODUCTION

I want to thank you, Mr. Chairman and members of the Subcommittee, for inviting me to testify, on behalf of the Hispanic Higher Education Coalition, regarding the Special Programs for Students from Disadvantaged Backgrounds, commonly known as TRIO.

As we have stated before, the four major issues facing Hispanics in Higher education continue to be access, retention, professional development, and institutional representation. It is our view that TRIO programs are a major vehicle to addressing access, retention, and to a lesser extent institutional representation problems plaguing Hispanic Americans. It is within this context that the Hispanic Higher Education Coalition analyzed the TRIO legislation.

OVERVIEW

The history of TRIO legislation is important to understand to gain a perspective on the significance of this program to the Hispanic community.

Upward Bound was authorized in 1964 as part of the Office of Economic Opportunity legislation. It was recognized that equal educational opportunity could not be achieved without mechanisms to expose and motivate minority disadvantaged youth to the academic environment. It was also recognized that the serious problems facing minority disadvantaged youth in elementary and secondary education still lingered and higher education programs addressing these barriers were appropriate to pursue.

Later the Upward Bound program provisions were transferred to the Office of Education, and in subsequent years additional pieces of legislation (e.g. Talent Search, Special Services, and Educational Opportunity Centers) began to fully address the educational problems confronting minority low income populations. Talent Search focused on information, advisement, and placement into Higher Education institutions. Educational Opportunity Centers addressed information and advisement as well, but was established to meet the comprehensive needs of large urban and rural locations. Special Services was established in the IHEs as a mechanism to enhance retention and increase the graduation prospects of minority and low income students.

These efforts have been addressing the needs of disadvantaged youth for over 12 years now. The emphasis of each program are sound, but there is a need to clarify and expand on the successful practices of these important efforts.

Before I discuss the proposals of the Hispanic Coalition, I would like to review the participation of Hispanics in higher education and in these programs for the last ten years.

Hispanic Participation in Higher Education: Contributions of TRIO Programs

Hispanic enrollment in IHEs was virtually non-existent ten years ago. Statistics in 1969 revealed that Hispanic students were fewer than 2 percent of the total enrollment.[1]

Current enrollment (1976) in higher education is listed below:

Comparison of total and percent of national enrollments at Institutions of Higher Education, by race and ethnicity, by type of institution and by percent:

	Hispanic		Black		White	
	Number	Percent	Number	Percent	Number	Percent
2 Year IHE's	242,009	6.2	429,723	11.0	3,080,799	78.7
4 Year IHE's	237,782	3.3	604,732	8.4	5,987,529	83.6
Graduate level	24,197	2.2	65,345	6.0	906,859	83.6
Professional[1]	6,092	2.5	11,181	4.5	220,059	89.5

[1] This category reflects total first professional enrollments.

Source.—U.S. Dept. of Health, Education and Welfare, Office for Civil Rights, Racial, Ethnic, and Sex enrollment data from Institutions of Higher Education, Fall 1976.

The Hispanic population is officially reported to be over 6 percent of the total population in 1974. However, the 1976 Census has found that great numbers of Hispanics have been inaccurately counted. It would be interesting to see what the 1980 Census will indicate, but there have been preliminary reports in several major publications that the Hispanic population will quickly become (within the next two decades) the largest minority with percentages rising to 15 percent to 20 percent of the total population. As President Carter stated in his recent address to the Chamber of Deputies in Mexico (Feb. 6, 1979), "Hispanics in the U.S. are the 4th largest Spanish Speaking population in the world, with a population of 20 million".

However, as you can see the current participation of Hispanics in Higher education is far too low, and corrective measures must be taken.

TRIO has been a major mechanism to deal with this inadequacy. This is primarily due to the lack of Hispanic controlled institutions that would concentrate on the needs of the entire Hispanic population. There are only a handful of emerging Hispanic Educational institutions.

A second point to consider is that Hispanics are disproportionately represented in 2 year institutions and it is a known fact that 2 year institutions receive a disproportionately low amount of Student Aid and TRIO funds as compared to 4 year institutions. These two factors have severely limited the ability of Hispanics to establish a comprehensive educational opportunity and equity strategy. Therefore TRIO seems to be major vehicle to rectify Hispanic educational inequities.

Federal education policy has relied heavily on student assistance, in the way of grants, loans, and work study to meet the financial constraints of students. But the financial and psychological constraints must be addressed. This is where TRIO has played an important part.

Contributions of TRIO

The contributions of TRIO have been positive in providing access and retention services to the Hispanic population. But the record reveals that these efforts continue to be limited, partly due to a lack of awareness of the needs of the Hispanic population and largely due to the lack of resources. Ten years ago the participation of Hispanics bordered around 5%. There were only 7 Hispanic focused projects in the country (out of 122 projects). In 1978 there has been an increase of participation in the following:

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[1] Olivas, Michael; "Admission Problems of Hispanics"—N[illegible]l Conference of Admission Counselors, Feb. 1979 Today higher education is still far [illegible] reach for many Hispanic families. Educational attainment st[illegible]emains at the 9th grade level. Drop-out rates soar over 50% in an overwhelming number of densely populated school districts. Participation rates in four year graduate and professional schools continue to be 1% to 2%. These inequities set against the continued high unemployment rates of Hispanic youth (upward to 40%) exemplify the seriousness of the inequities we face.

DATA ON TRIO PROGRAMS

1977 data	SSDS	Percent	T.S.	Percent	U.B.	Percent	EOC	Percent
Total number of students served	123,092		146,565		38,887		58,666	
Race:								
Indians/Alaskans	3,907	3	8,143	6	2,003	5	2,205	4
Asian/Pacific Island	5,293	4	2,312	2	290	1	1,921	3
Blacks	52,510	43	69,449	47	22,335	58	22,922	39
Hispanic	21,527	17	27,286	19	4,289	11	11,970	20
Whites	39,668	32	37,995	26	5,803	23	17,916	31
Not reported	87		1,428	1	560	1	1,265	2
Sex:								
Males	54,017	44	60,036	41	18,498	48	23,861	42
Females	68,820	56	85,829	58	20,389	52	33,288	58
Other	255	1	1,000		607	2	647	1

Source of Information—Office of Education.

Although there has been an increase in overall participation in TRIO, closer inspection (see table below) reveals a decline from fiscal year 1975 to fiscal year 1977.

HISPANIC ENROLLMENT IN SSDS, T.S., U.B.

[In percent]

	Fiscal Year		
	1975	1976	1977
SSDS	18.7	17.6	17.5
T.S.	19.6	20.0	18.6
U.B.	10.1	11.0	11.2

Source.—Bureau of Higher and Continuing Education (1979).

The fact remains that the eligible Hispanic population, meeting poverty and educational guidelines for participation, is well above 30%. It must be kept in mind that Hispanics comprise 33% of the minority population and proportional incidence of poverty is twice as great than the majority population. Thus, it can be safely said that the TRIO programs continue to only meet a fraction of the education needs of Hispanics.

In order to address this critical gap two things must occur: (1) a clarification of program emphasis to increase targeting, efficiency, and effectiveness of existing resources and (2) expanded funding and scope. These purposes were considered in the Hispanic recommendations, as two essential strategies to assist in the eradication of access and retention problems facing Hispanics.

RECOMMENDATIONS

1. That TRIO programs delineate responsibilities in the following manner:
   A. community and campus based projects
   B. level of enrollment (secondary *v* post secondary)
   C. The focus of Talent Search will be youth and EOCs adults, except under some unusual circumstances.

This will have a positive effect on Hispanics since, there is a need to provide resources to community based endeavors that are familiar with the problems and avenues of access in the Hispanic population. Hispanics occupy few IHE positions, with little input into institutional development, while community based organizations offer greater involvement.

It should be noted that Hispanics are a youthful population. Seventy-five percent of the Hispanic population is under 25 years of age. Therefore there is a need to focus on youth in a more concentrated manner.

2. That TRIO programs should be targeted on persons who aspire to be first generation college students and who meet a revised criteria of 150 percent of the Bureau of the Census Poverty criteria.

The proposed definition of income criteria would allow the provision of services to 60 percent of Spanish Surnamed families who do not meet poverty criteria (data from the 1975 Census Bureau population reports). In effect, the TRIO programs would be allowed to serve the children of the working poor and of lower middle class families. The attainment of Bachelors degrees in the Hispanic community hovers around 5 percent. Thus 95 percent of Hispanic families, who meet revised low-income criteria would qualify. Such targeting will ensure that children who come from families without a college tradition and the resources attributed to such an education would be less likely to benefit from TRIO services, and a concentrated effort to break the cycle of poor education and poverty will occur.

3. That the authorization for TRIO be raised to 400M.

With the expansion of services and eligibility criteria this authorization level is not unreasonable. But more importantly, demand and funding patterns demonstrate a clear need to expand, as depicted in chart below.

[Dollar amounts in millions]

Program	Number of proposals	Number of projects funded	Demand	Allocation
Fiscal 1976:				
Special Services	570	373	$54	$23.2
Talent Search	219	132	19	6.0
Upward Bound	471	424	55	38.1
EOC's	135	13	22	3.0
Total	1,395	942	150	70.3
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Training Authority				
Total	1,507		204	

As you can see between fiscal 1976 and fiscal 1979 institutional demand for Special Services funds increased by 54 percent; demand for Talent Search funds increased by 21 percent; and demand for Upward Bound increased by 43 percent. This year the Office of Education was only able to meet two-thirds of the demand for Special Services, 61 percent of the demand for Talent Search, and 77 percent of the demand for Upward Bound funds, and 37 percent of the deamnd for EOC funds.

4. That the eligible sponsors for administering Talent Search funds be encouraged to provide services in a place appropriate for and convenient to the client population. In this case, Community settings.

As stated before Hispanics occupy few administrative and faculty slots in IHEs. Community based organizations are available and offer an excellent vehicle to meet the educational needs of the Hispanic population. Community settings are most appropriate to provide greater access and communication with the Hispanic population.

5. That core services for each of the TRIO program strategies be clearly identified to maximize existing resources and encourage effectiveness and efficiency.

This approach would bring greater uniformity to the projects. Hispanic communities will be able to discern with greater ease the responsibilities of IHEs and community based organizations, in providing equal educational opportunity services. Accountability will be enhanced, particularly if the "core" services which each institution or organization is expected to provide is clearly specified.

6. That full financial assistance be provided to Special Students.

Hispanic students have difficulty negotiating the financial aid process. This is largely due to a lack of information and unfamiliarity with the complex financial aid establishment. If we expect students to make a long term committment in education, often at the expense of supplementing family income by working in the job market, than the financial aid institutions, should make a long-term commitment to them as well. Consistent with our recommendations for long term financial commitment to low-income students, the special service student, would fit the criteria to be awarded full grant, work, and loan aid.

7. That Upward Bound be allowed to provide specific preparation at the secondary level to prepare students for careers in which minorities are particularly underrepresented.

The number of Hispanics in Scientific and engineering professions is embarrasingly low. Particular attention needs to be given to getting Hispanic students into the pipeline to compete with other students in hard sciences and methematics. In order to accomplish this, early intervention and academic preparation is needed. It goes without saying that many Hispanic students are concentrated in poorer school districts. Additional funds and programs that will supplement the school districts in preparing students for career fields in Science, medicine, law, etc. are sorely needed.

It is noteworthy to say, that Mexico has recognized this discrepancy. Last year Mexico awarded full scholarships to 100 Americans of Mexican descent to study medicine and return to the U.S. to address the critical medical shortage in Hispanic communities. Such a commitment from the U.S. should be made as well.

SUMMARY

TRIO is an essential program to increase access, retention, and the development of Hispanic faculty and administrators in Higher education. But there is a need to target the programs more efficiently through clarification of program purposes, expanding the scope of the programs to meet the diverse needs of the eligible populations, and lastly increase authorization to allow for greater service and support. If these steps are taken, Hispanic participation in TRIO will increase, resolving some of the access and retention problems confronting Hispanic youth. Of course greater progress will depend on the administrators in BHCE to search out and fully meet the needs of Hispanics in the next several years.

PREPARED STATEMENT OF SISTER MARY AGNES SCHILDKAMP, DIRECTOR, TALENT SEARCH PROJECT (PROJECT FORWARD), SETON HILL COLLEGE, GREENSBURG, PA.

I. COST-EFFECTIVENESS OF TALENT SEARCH (CURRENT)

Talent Search maximizes the cost-effectiveness of all federal and state postsecondary student aid programs through its "search" for eligible participants.

One of the three objectives of TS written into the Higher Education Act of 1965—one that is not stressed in reports, usually—is "to publicize existing forms of student financial aid," referring primarily to federal grants and loans and college work-study. The ordinary channels through which information about student aid is made available are, of course, the schools, both secondary and postsecondary. However, the TS target population, even those in good high schools, are quite likely to be missed through the so-called "ordinary" channels. For a variety of reasons, personal and financial and environmental, many of the TS population do not realize that postsecondary education with student aid is actually available to them. This is as true today as it was in 1965 when the Higher Education Act became legislation. This fact alone justifies re-authorization of TRIO programs, including TS and the EOC's.

Talent Search penetrates the "mix" of the needy among the affluent in large urban and non-urban merger high schools. TS penetrates the isolation of rural and semi-rural areas. TS penetrates the dull walls of depressed low-income public housing projects. TS staff go to places where high school guidance counselors cannot go, even if they wished to (ex: homes, agencies); and TS staff are at the service of persons who no longer have access to guidance counselors. TS staff are within telephone reach of caseworkers (ex: BES, CETA, parole and probation, public assistance) who recognize in their clients the need and the potential for further education.

Talent Search reached minorities not only in areas where the ratio is high, but also where it is low or population is scattered. That is, TS is actively seeking out minorities. OE data for 1977 shows that TS reached and actively assisted 146,565 students, as follows: 47 percent Black; 26 percent White; 19 percent Hispanic; 6 percent Native Americans/Alaskans; and 2 percent Asian/Pacific Island Americans.

Talent Search is discovering, attracting, and assisting increasing numbers of eligible women. Characteristic of many young women assisted by TS is the depressing reality called disillusionment—disillusionment with the job market, sometimes with marriage, often with the environment in which they are forced to live as providers for a family. TS finds them or they find TS. A year or more in further education changes their family situation, their outlook on life, their place of residence, and their status from tax recipient to tax payer. Added to this group is the newly labeled "displaced homemaker" who is rescued, so to speak, by educational programs including EOC's.

It is worthy of note that the present percentage of women in TS programs (nearly 60/40 percent) is a change in trend from the 40/60 percent favoring males in TS before 1974.

Talent Search has a record of creating "pockets of achievement" in the midst of "pockets of poverty." In this category, I am going to illustrate briefly from the 13-year history of Project Forward, the program I represent. We have done in-house studies on where our first clients are now, and what the relationship likely is between where they are and the services they received from TS. One phase of our study has to do with so-called "poverty pockets" in the target area, where as many as 38.6 percent of the population live on incomes below poverty level. Between 65 and 85 percent of TS families are on public assistance. Despite this economically deprived background, the postsecondary dropout rate for TS students ranges between a low of 7.9 and 29.7 percent. As many as 82.9 percent of employable TS postsecondary graduates are employed, the highest percentages being in business, health-related, social work, and teaching professions. For many of these successful individuals it is not just one person, but whole families whose economic status is changed from "dependent" to "independent."

The urgency for Reauthorization is more evident, however, in the data that we cannot provide, namely, how many eligible persons are not being reached? In fiscal year 1977 there were 218 TS proposals submitted across the country. Of these only 116 were funded. The amount of funding requested was $22 million. The amount allocated was only $8.9 million. The projected need is for about $400,000,000.

II. COST-EFFECTIVENESS OF TALENT SEARCH (RTI STUDY)

TRI (Research Triangle Institute) did a nationwide study of TS projects for the Office of Education in 1973–74. Five years later, data from the study is relevant insofar as it discovered conditions in which TS is involved today. For example, the study reports as follows in 1974:

Approximately 40 percent of the TS clients were black, and nearly all had never been married. Approximately two-thirds of the clients were ages 17 or 18, and about two-thirds were enrolled in grade 12. More females than males were TS clients. Most clients (78 percent) were not employed, but most of those who were employed earned less than $3,000 per year. About half of the TS clients were classified as coming from families with incomes of less than $6,000 in 1973, while about a quarter of the clients came from families earning $6,000 or more.

A small proportion, roughly 10 percent, came from families that earned $9,000 or more. At least 6% lived in federal housing projects, and 6% on Indian reservations. Nevertheless, 77% of all students served were accepted in one or more post-secondary institutions and 72% actually began their post-secondary studies that year.

The RTI report included a cost analysis, given here as the only nationwide study of its kind done for TS. It provides a base for evaluating TS performance in terms of dollars.

A classification of personnel was done in the RTI study, as follows:

Administrative.—Project Director, Assistant Project Director, Other Administrative.

Service Delivery.—Tutors, Counselors, Tutor-Counselors, Recruiters.

Support.—Secretarial/Clerical, Student Help.

According to RTI, the average full-time project staff may be classified as 27 percent in administration, 51 % in service delivery, and 22 percent engaged in support activities; the average part-time staff is 14 percent administrative, 28 percent service delivery, and 58 percent support. Obviously, persons in many projects would be engaged in multiple functions rather than a single function continuously.

Of reported cost for TS programs, it is significant that 16% of funds required were non-TRIO. In other words, project directors have sought out supplemental funds to help support their programs. The average cost per student that year (1974) was $63.00.

There is one striking statement in this section of the RTI report which reflects the per-student cost in projects that show an increasing number of students each year. It reads that "a 10% increase in the number of clients in a project was associated with a 6% reduction in reported cost per client."

Another statement in the RTI report reflects the importance of the 3-year continuing grant procedure which TRIO now enjoys, relating it to job security and staff performance:

Personnel at many of the 20 site-visited projects expressed concern about the adverse effect on project operations due to considerable staff turnover, a factor that was generally attributed to a lack of job security in year-to-year funding situations and to a lack of opportunity for upward mobility within the project.

There are three additional highlights of the RTI report which portray, I believe, the context of target area circumstances in which TS programs function:

1. At least 95% of the projects work and interact with high schools, public and private 4-year postsecondary institutions, and public 2-year institutions; a little less than three-fourths of the projects work with private 2-year institutions; and a little more than one-half of the projects work with proprietary institutions. A majority ofthe projects reported receiving "good" or "excellent" cooperation from these institutions with respect to a variety of TS activities. Overall, projects reported a higher level of cooperation from postsecondary institutions, followed in descending order by high schools and proprietary schools. Less than one-third of the projects reported receiving "fair" or "poor" cooperation from one or more of these types of institutions.

2. Most of the institutions hosting TS projects also sponsored at least one other federally or non-federally funded program for disadvantaged students—a little more than one-third of these institutions sponsor an Upward Bound program and a little less than one-third sponsor a Special Services program. TS project directors reported the existence of either a "high" or "very high" degree of cooperation between their projects and the other projects sponsored by their host institution.

3. Project directors also reported the establishment of good relationships with referral agencies such as the U.S. Employment Service, Tribal Councils, Neighborhood Youth Corps, welfare programs, Model Cities programs, various youth groups, custodial institutions and reformatories, and Upward Bound programs. These agencies were helpful in referring clients to TS, as well as in accepting referrals from TS.

What is it that TS staff persons do for their clients? What are the services delivered? The RTI report has a brief and direct answer:

Individual and, to a more limited extent, group counseling constituted a major service to TS clients. These counseling sessions focused primarily on problems associated with 2- and 4-year college entrance, financial concerns, career or vocational guidance, and job placement or referrals. To assess the strengths, weaknesses, and potential of their clients, counselors reported relying most heavily on high school grades, high school counselor evaluations, evaluations by knowledgeable others, biographical inventories, interest inventories, and student self-evaluations. Though they receive less emphasis, a substantial proportion of the projects reported using achievement (standardized and nonstandardized) and aptitude (academic or vocational) test results for this purpose. Approximately three-fourths of the students reported by TS project directors to have enrolled in postsecondary institutions between 1 July and 31 December 1973 actually enrolled in the specified institutions.

And about three-fourths of these verified enrollees were still enrolled in the spring of 1974.

In conclusion to this portion of my report, the RTI study identified several program strengths across TS projects nationwide, among them the following:

1. The recruitment strategy appears effective "in getting to a sizable number of persons in target populations. This strategy involves a concerted effort to motivate an interest in further education among disadvantaged youths."
2. Projects engage in a set of common services, encompassing the dissemination of information, assistance in the application process, obtaining of financial aid, and personal counseling. This appears to be the essence of Talent Search.
3. It is generally the case that projects respond to the needs of all who come for assistance or information, whether or not those persons are considered clients.
4. Effective relationships are developed with a standard group of institutions to which clients apply and eventually attend. This suggests that TS had found institutions responsive to the needs of the disadvantaged, notably those with SSDS and/or state-funded student service programs, such as Act 101 in Pennsylvania.
5. Continuing and effective interaction with referral agencies appears to be characteristic of TS projects.
6. Staff appear dedicated to program goals and objectives; their cohesion and interaction appear to be adequate.
7. Recruitment is from a wide spectrum of agencies (along with high schools), providing educational access for many different groups of prospective clients.
8. There appears to be a degree of meaningful impact on high school counseling programs and on a variety of postsecondary institutions.

III. CONCLUSION

The Talent Search program was wisely written into the initial Higher Education Act, and TS is well on the way to achieving its basic objectives.

Talent Search is essential to the continuing effectiveness of federal- and state-funded student aid programs.

Talent Search is proving to be counter-Welfare. It has shown stereotypes to be wrong. When the RTI study is updated in the future, TS could provide abundant evidence of success, overshadowed only by the realization that fewer than half the persons eligible for postsecondary educational opportunities are being reached.

Talent Search has developed a network of effective outreach for post-secondary institutions, wider than they are able to do on their own. Without TS, even programs like BEOG will be wasted when academic and cultural and other non-financial factors overtake the low-income student.

Talent Search reflects the high priority accorded the rights and responsibilities of every individual citizen. TRIO, and specifically TS, has reduced the high human cost which would otherwise happen to many individuals if they had to risk their own trial-and-error approach to postsecondary education.

Re-authorization, with a major appropriation, is crucial at this time to meet the unserved population that we are aware of, as well as the emerging populations we anticipate seeking to participate fully in postsecondary institutions in the United States.

IRMA P. BURKS, DIVISION OF STUDENT SERVICES AND VETERAN PROGRAMS, MISSISSIPPI VALLEY STATE UNIVERSITY, ITTA BENA, MISS.

The TRIO Programs, Upward Bound, Special Services, Talent Search, and Educational Opportunity Centers, were instituted at different times over the last fourteen years in response to different perceived needs. The two programs that this panel will focus are: Talent Search and Educational Opportunity Centers.

Talent Search was created in 1965 under Title II-A of the Economic Opportunity Act. The legislative purposes of this program was to:

> (a) identify qualified youths of financial or cultural needs with an exceptional potential for postsecondary educational training and encourage them to complete secondary school and undertake postsecondary educational training, especially such youths, who have delayed pursuing postsecondary educational training,
>
> (b) publicize existing forms of student financial aid, including and furnished under this title; and
>
> (c) encourage secondary school or college dropouts of demonstrated aptitude to re-enter educational programs, including postsecondary school programs.

More simply stated, Talent Search tries to equalize educational opportunities for low-income and minority students by identifying, counseling, and assisting students by identifying, counseling, and assisting students of "exceptional" potential to enroll in higher education.

Talent Search was transferred in 1969 from the Office of Economic Opportunity to the Office of Education and placed under Title IV-A of the Higher Education Act of 1965 as amended.

Educational Opportunity Centers were created by the Education amendments of 1972. The legislative intent of this program is to:

A. Serve areas with major concentrations of low-income populations by providing in coordination with the applicable programs and services.

(i) information with respect to financial and academic assistance available for persons in such areas desiring to pursue a program of postsecondary education,

(ii) assistance to such persons in applying for admission to institutions, at which a program of postsecondary education is offered, including preparing necessary applications for use by admission and financial aid offices; and

(iii) counseling services, tutorials and other necessary assistance to such persons while attending such institutions.

B. Serve as recruiting and counseling pools to coordinate resources and staff efforts of institutions offering programs of postsecondary education in admitting educationally disadvantaged persons.

The Educational Opportunity Centers are similar in purpose to Talent Search and Special Services Programs in the current legislation.

FUNDED PROGRAMS

[Dollar amounts in millions]

Year and programs	Number of projects funded	Allocations
1976:		
TS	132	$6
EOC	13	
1977:		
TS	116	8.9
EOC	18	5
1978:		
TS	131	12
EOC	22	5

TOTAL NUMBER OF STUDENTS SERVED

	TS	Percent	EOC	Percent
Race 146,565 58,666				
Indian/Alaskans	8,143	6	2,205	4
Asian/Pacific Isle	2,312	2	1,921	3
Blacks	69,449	47	22,922	39
Hispanics	21,527	17	11,970	20
Whites	37,995	26	17,916	31
Not reported	1,428	1	1,625	2
Sex:				
Male	60,036	41	23,861	42
Female	85,829	58	33,288	58

While each of these programs, Talent Search and Educational Opportunity Centers, has as its goal the attainment of postsecondary education for disadvantaged youth, each was introduced legislatively at different times and under different circumstances. Talent Search was developed in two federal agencies. The present legislation defines only vaguely who is to be served, how, or to what particular purpose. The present legislation makes it difficult to define who is eligible for program participation. Discontinuities in legislated goals and target populations have impeded program definition of national objectives and target populations, and make difficult the estimation of resources needed for specific populations to be served. Therefore, we feel that the proposed legislation recommended by the National Coordinating Council is one that will improve the operation of these programs and the delivery of services to their clients.

The National Coordinating Council's recommendations which will effect Talent Search and EOC Projects are as follows:

Recommendation No. 1.—"Distinguish between campus-based and community-based programs. Among campus-based distinguish by level of enrollment . . . among community-based distinguish by age group served . . ."

1. It would let Talent Search Projects focus on youth and EOC focus on adults and this would eliminate overlap of services.
2. It would require that services be provided in settings convenient to the client population in order to assure that the physical and psychological barriers separating disadvantaged communities and campuses would be addressed.
3. It would clarify clients' eligibility criteria.

Recommendation No. 2.—"The TRIO Programs should be targeted on persons who aspire to be first generation college students and who meet a revised low-income criteria."

The current legislation does not define low-income but the regulations define it in terms of Bureau of Census poverty criteria. The imposition of the criteria results in the exclusion from TRIO Projects of many disadvantaged students who have need of services in order to be given a reasonable chance of graduating from college.

Recommendation No. 3.—"The definition of eligible sponsors should not be changed. However, through the specification of functions, applicant institutions should be encouraged to provide services in a place appropriate for and convenient to the client population."

The Council's intent in this recommendation is to provide for the Commissioner the authority to require assurances from all applicants for Talent Search Projects to be located in a setting accessible to the youth proposed to be served by the project.

Recommendation No. 4.—"Specify the purpose and type of core services which may be provided . . ."

Some of the core services for Talent Search and Educational Opportunity Centers are similar. However, it is hoped that there will be no overlap between the services of Talent Search and EOC's services since Talent Search will focus on youth and EOC's on adults. Talent Search may also provide tutoring under the proposed legislation.

Recommendation No. 5.—"Insert a requirement in the EIC subpart that Talent Search Projects be involved in planning and service delivery in the State plan developed by the EIC's. Require that Talent Search projects and Educational Opportunity Centers be provided the information accumulated by EIC's.

The Council feels that since Talent Search Programs, Educational Opportunity Centers and Educational Information Centers share common general purposes—increasing the availability of information regarding postsecondary opportunity and increasing access to colleges and universities—and since staffs in Talent Search Programs and Educational Opportunity Centers have experience and expertise in the area of information and access programs, mandating the sharing of information and services between programs will serve to eliminate overlapping of programs and more efficient delivery of services.

Recommendation No. 6.—"The authorization level should be $400 million."

Given the increased size of the target population and given the level of appropriations increases which would be necessary to begin to meet unmet needs, the Council recommends a $400 million authorization level.

Projecting appropriation increases comparable to those received since fiscal year 1976 and a pattern of allocation of funds among programs similar to that employed by USOE in fiscal year 1978, the distribution of TRIO monies would allow delivery of service to less than 10% of those eligible for Talent Search or Educational Opportunity Centers.

It is the Council's position that TRIO Programs are essential to the development of low-income, educationally, culturally and physically disadvantaged students.

In conclusion, we feel that an acceptance of the recommended actions made by the NCCEOA will restructure the programs to avoid overlap, more clearly define the target population, eligible participants and define the core services to be rendered.

Because this legislation will allow for more intensive types of services and because our eligible pool of participants will increase, we recommend an authorization level of $400 million.

Prepared Statement of Peter Scott Fellenz, New England Association of Educational Opportunity Program Personnel, State Project Director, Educational Opportunity Centers for Massachusetts

Chairman Ford and members of the committee, I appreciate the invitation to be part of this panel on Talent Search and Educational Opportunity Center Programs. I join with the panel in supporting the comprehensive set of policy proposals which the National Coordinating Council of Educational Opportunity Associations has previously entered into the record.

While this committee is likely aware of the enormous amount of effort which TRIO associations have expended in developing these policy positions, I would like to add my personal points of emphasis. As the director of a state-wide network of Educational Opportunity Centers in Massachusetts—we are preparing to celebrate our fifth birthday this summer—I find it reassuring to know that EOC's are ready to take their place as the "fourth TRIO program!"

As is the case across the country, EOC personnel have been integrated into their regional educational opportunity program personnel associations. Within various states working relationships with Upward Bound, Talent Search, and Special Service Program staff have become commonplace. Most importantly, many of us have overcome our earlier concerns of justifying our individual existence and have learned that "duplication of service" is a false dilemma which can be overcome by thoughtful professional cooperation.

Let me insert that other professional groups such as the National Center for Educational Brokering, the College Board, the FIPSE funded CHOICE project, and the Educational Commission of the States greatly contribute to professional development through their conferences and materials. We can concentrate on direct service while using their avenues for sharing the state of the art.

Now, to speak more specifically regarding policy recommendations of the National Coordinating Council, I am encouraged by the concensus we have reached on eligibility requirements for Talents Search and Educational Opportunity Center clients, i.e. except in unusual circumstances Talent Search will target on youth while Educational Opportunity Centers will target on adults. Furthermore, we agree that the more effective way of meeting post-enrollment support service needs is by expansion of campus based Special Services rather than through heavy reliance upon community based programs such as Talent Search or Educational Opportunity Centers.

Mr. Chairman, there is a dramatic need for an expansion of the outreach, information, and advisement services which Talent Search and Educational Opportunity Centers are now providing to approximately 300,000 persons each year. While both programs are able to provide facilitative services in a cost-effective manner, the population now served represents only three percent of our citizens in need of such services (Survey of Income and Education, HEW, 1976).

To present a more concrete picture of unmet need let me use Massachusetts as an illustration. At present $380,000 in federal EOC funds and $130,000 in federal Talent Search monies do provide storefront or neighborhood services to parts of Boston plus the older "Model Cities" areas of Lynn, New Bedford, Springfield, and Worcester. However, a like number of urban centers—Lowell/Lawrence/Haverhill, Brockton/Taunton, Pittsfield/North Adams, plus the many fringe cities of Boston itself are left with few services. In addition, the rural areas of the state, including Cape Cod, are not yet targeted for services.

Some additional resources are provided through Educational Information Center legislation. Clearly a state role is required to fill the gaps still remaining after considerable federal initiative. Continuation of EIC's, along with more specific requirements regarding their working relationships with TRIO programs, would be helpful.

To complete the Massachusetts illustration of unmet need, even with the second largest EOC grant in the nation, plus a Talent Search Project, only one half of our urban settings and few of our rural areas receive appropriate outreach, information, and advisement services. Evidence from the last funding competition shows that each successful agency is matched by four other agencies ready to extend services in their local area! I am convinced that Massachusetts alone could put another million dollars in Talent Search and EOC funds to work within sixty to ninety days.

Members of the Committee, I am here to speak for your constituents as well as my colleagues. Many thousands of youth and adults within your district are struggling with the increasing complexities of post-secondary admission and attendance. Securing financial assistance alone requires some professional support. Financial aid officers at the institutions can work most effectively with traditional students—usually dependent students. First generation students, on the other hand, usually need front line assistance offered closer to home. For example, many of our adult clients have little idea that financial assistance is now need-based. Many need our assistance in realizing that a ten year old high school transcript with B's and C's is "O.K." and that they may well be eligible for considerable B.E.O.G., State Scholarship, and other assistance.

Now the Middle Income Assistance Act seeks to extend financial assistance to an additional one and one-half million of our citizens. In Massachusetts, the Middle Income group is "coming down from the hills" to utilize our application assistance. Our Saturday services have been in heavy demand. Thousands of your constituents are putting their well completed B.E.O.G. applications in the mail box. Many, in fact most, report that they would have stopped in frustration if they had not heard about our services.

Some talk of fraud and abuse in the B.E.O.G. program. This is not our experience. We find that effective outreach, information, and advisement services offered by Talent Search and Educational Opportunity Centers can help thousands of your constituents see new possibilities, to be the first in their family to begin a post-secondary career. With similar expansion of campus based Special Services we are convinced that you will continue to see the happy results.

Thank you.

EDUCATIONAL OPPORTUNITY CENTERS

Yearly Services	Participants
College & Financial Aid Information	15,000
Application Assistance	4,000
College & Career Counseling/Testing	4,000
Services With Other Agencies	1,500
Placement in Colleges & Training Programs	2,000
Tutoring for Enrollees	500

SCHOLARSHIPS AND GRANTS

Federal	$1,500,000
State	300,000
	$1,800,000

No charge for services
Available to all area residents

Nontraditional students
Bilingual persons
Late bloomers
Low income persons
Back-to-school parents
Career changers
Information seekers

Call, write, or visit the
Educational Opportunity Center
near you.

A project of
the Worcester Consortium
for Higher Education

State Project Director
Peter Fellenz
Program Coordinator
John Birch

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Worcester, Massachusetts
(617) 754-6820

Educational Opportunity Centers

A project of
the Worcester Consortium
for Higher Education

serving Massachusetts

Funded by the U.S. Office
of Education and the local sponsors.
No charge for services.

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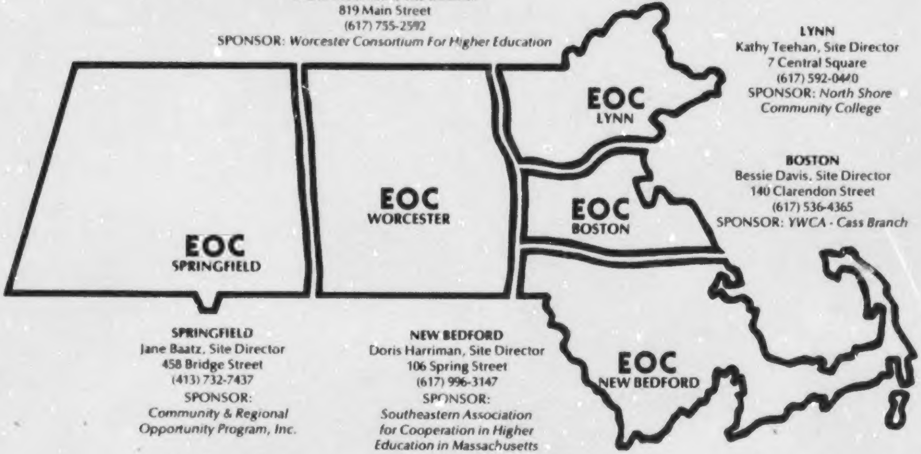

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Southeastern Association for Cooperation in Higher Education in Massachusetts

Mr. FORD. You may proceed in the order in which I called you to the panel to comment on your statement, add to it, supplement it, summarize it, or give us whatever you think you would most like to highlight in the statement.

We will start with Dr. Perez.

STATEMENT OF MONTE E. PEREZ, Ph. d., DIRECTOR, NIE EDUCATION RESEARCH PROJECT, NATIONAL COUNCIL OF LARAZA, WASHINGTON, D.C.

Mr. PEREZ. Thank you, Mr. Chairman. I would like to express my appreciation to you and to the members of the subcommittee for inviting this panel to address TRIO, more specifically, Talent Search and Educational Opportunity Centers.

I am currently the director of education on the National Council of LaRaza and the National Association for Equal Educational Opportunities which are members of the National Coordinating Council and members of the Hispanic Higher Education Coalition.

The members of my panel include Sister Mary Agnes Schildkamp who is a member of the Mideastern Association of Educational Opportunity Program Personnel; Ms. Irma Burks, past president of the Southeastern Association of Educational Opportunity Program Personnel; and Mr. Peter Fellenz, a member of the New England Association of Educational Opportunity Program Personnel. All of their respective organizations are constituent members of the National Coordinating Council.

In our panel, we wish to address four major points: First, cost effectiveness of the TRIO programs. Second, program improvements covered, or considered under our recommendations. Third, enhanced articulation of Educational Opportunity Centers, Talent Search, and the Educational Information Centers; and four, the rationale for the revised eligibility criteria, and the authorization level which I will address at the very end. So without further ado, I would like to turn it over to Sister Mary Agnes.

STATEMENT OF SISTER MARY AGNES SCHILDKAMP, DIRECTOR, PROJECT FORWARD, EDUCATIONAL TALENT SEARCH, SETON HILL COLLEGE, GREENSBURG, PA.

Sister SCHILDKAMP. Thank you.

I am the director of the Talent Search Program which is called "Project Forward" at Seton Hill College in Greensburg, Pa. We have a branch office in Brownsville, Fayette County, Pa.

There are six counties in our target area. The project began in 1967. Mr. Chairman, my major point is this: the Talent Search program maximizes the cost effectiveness of all the State and Federal student aid programs. I say this, or I say that the Talent Search can do it principally because of our unique mandate. That is, to search.

There are, as you know, other Federal agencies that serve the poor: Welfare, the Bureau of Employment Security, CETA, and others, but they do not go out and look for welfare recipients nor for the unemployed. They advertise, yes; but search, no. That is not part of their mission.

Now, the ordinary channels through which information about financial aid is made known to the general public and especially to those for whom it is intended are the schools: secondary and post-secondary.

However, the Talent Search population, even in our best high schools, are likely to be missed through the so-called ordinary channels of information.

A guidance counselor, for instance, can put on a convincing assembly program with regard to financial aid. But the message of that assembly, of those speakers, will go past the ears of students in that auditorium who have come from one or two generations of hearing: "But it is not for you. We can't afford it. Nobody else in the family goes to college."

"Career Nights", too, are another channel. But again, many Talent Search students and their parents are not likely to be there.

Now, where is it that Talent Search searches, or looks into? First, the schools. We seek out Talent Search persons who are often lost in the large urban high schools, among the 2000-or-so students there, as well as in the large jointure high schools in rural and semirural areas.

We seek for them in low income public housing projects and through the tenant associations.

We learned 2 years ago when we moved in this direction that there are 36 such housing projects, for the most part, depressed ones, in our target area.

We involve the public agencies such as CETA, welfare, parole and probation board, Bureau of Employment Security, so that case workers will help us to discover Talent Search persons.

These are persons whose immediate need may be groceries or a job, but who are recognized as having as their greatest need an opportunity for education.

I think you will want to be assured that a high percentage of our Talent Search students are minorities. The best evidence, nationwide, is contained in an Office of Education memo that came out in 1977 which reported that across the country of the Talent Search participants, 47 percent were black, 26 percent were white, 19 percent were Hispanic, 6 percent were native Americans, and 2 percent were Asian Americans.

In our target area where the minority population varies between 1.0 percent and 10 percent, among our Talent Search clients, 20 to 25 percent are minorities.

Another high percentage of Talent Search students are women. Ten years ago, about 40 percent of our clientele were women. Now it is close to 60 percent. Many of them are girls in their twenties, girls who dropped out of high school, probably, to get married. Now they are on welfare.

Characteristic of many of these young women assisted by Talent Search is the depressing reality called "disillusionment". They are disillusioned about the job market. Some of them are disillusioned about their marriage. Often they are disillusioned with the environment in which they have to live and provide for a family.

With the GED and one or even 2 or 4 years of further education, we have seen a change in their family situation, a change in their outlook on life, their place of residence, and a change in their financial status from tax recipient to taxpayer. What is more, this same independent status is passed on almost immediately to their children.

There is something else: Talent Search has a history of creating pockets of achievement in the midst of so-called "pockets of poverty". Now, we did an in-house study of our first 6 years of project work. It was a telephone survey in which we reached nearly 4000 past clients.

One phase of that survey concentrated on poverty pockets where 38 percent of the families in the area exist on an income under the poverty level. Between 65 percent and 85 percent of the Talent Search families in that area are on welfare, but despite their financial straits, our survey records show that the post-secondary dropout rate is as low as eight percent. The average was 20 percent. The national average for so-called traditional students is about 40 percent. As many as 83 percent of the post-secondary graduates in this survey of poverty pockets are employed. The highest numbers are in business, health-related, social work, and in the teaching professions.

The Talent Search cost per student in those years was $63.

Now, what I have said so far about the effectiveness of Talent Search has been mostly from my experience and also, from talking to project directors across the country whom I have met in the course of 13 years, but similar conclusions are documented in the Talent Search study made by the Office of Education in 1975. Data from that study can be found in the printed report that I have submitted.

Now, I wish to point out four other items based on my initial statement that Talent Search maximizes the cost effectiveness of all Federal and State student aid programs.

The first item is in regard to the TRIO programs and especially, special services. There are about 600 colleges, post-secondary institutions, in the United States with special services programs under TRIO. We look for those schools, and we let our students know about them.

In addition, there are State programs for special services. In Pennsylvania, for instance, the act 101 program can be found in 60-some of our colleges. We have a roster of those colleges, and we see to it that our students hear about act 101 programs, and that those programs hear about our students.

Secondly, with regard to the sometimes controversial loan programs. I would say that the loan program is not controversial for Talent Search, even though another loan or debt is about the last thing that our Talent Search families need. However, we explain that a student loan is different from the personal loan which later on the student may be taking out for a house, or a car, or furniture.

We explain that taking out a student loan is like working your way through college, paying off your college expenses after you graduate, which is the way the majority of students have to do it nowadays.

We tell them that the money is there to borrow, instead of expecting to count on the family grocery money. We advise students to wait to apply for a student loan until they are sure they need the loan, and know how much they need. We tell them that when they do pay it back after graduation, what they will really be doing is really putting it back into the kitty for somebody else to borrow.

The third item is about all of the financial aid: grants and loans and college work study. We in the United States spend millions of dollars on financial aid, and that is why Talent Search spends hundreds of hours, one to one, assisting with financial aid applications. We want them right the first time. We want to minimize the need for correction forms. And this is not because our clients and their parents do not know what they are doing, but because their personal and financial circumstances are very complex.

There may be a little bit of child support money, a little bit of earned income; a disabled parent may not qualify for disability funds.

Last week I was helping a girl who, while her parents are living, has lived for the last two years with her grandmother. Her grandmother is on public assistance. How does she answer questions with regard to family income? They need help.

I am reasonably sure that millions of dollars in the loan program and in the basic grant program would be wasted without TRIO, without Talent Search. And evidently, the Office of Education and the legislators thought so, too, in 1965, when Talent Search was written into the original Higher Education Act.

Fourth and finally, with regard to welfare, from our experience, we are convinced that Talent Search is counter-welfare.

It is our position that providing opportunities for education is one of the most direct, dignified and least expensive approaches to the welfare issue.

I wish, of course, that at this time, it were possible to convert these data into persons by illustrating their stories. I know that I cannot. I thank you for this important opportunity to speak in behalf of Talent Search.

Mr. PEREZ. Thank you, Sister Mary Agnes.

Ms. Irma Burks.

STATEMENT OF IRMA P. BURKS, DIVISION OF STUDENT SERVICES AND VETERAN PROGRAMS, MISSISSIPPI VALLEY STATE UNIVERSITY, ITTA BENA, MISS.

Ms. BURKS. I am Irma Burks, director of Upward Bound, Special Services, and Talent Search projects at the Mississippi Valley State University located at Itta Bena, Miss. I have been a project director here for 11 years.

My discussion this morning will address some of the recommendations made by the National Coordinating Council of Educational Opportunity Association for program development.

The TRIO programs were instituted at different times over the last 14 years in response to different perceived needs. While Talent Search and EOC have as their goal the attainment of postsecondary education for disadvantaged youth, each was introduced legislatively at different times and under different circumstances. The present legislation defines only vaguely who is to be served, how, and for what particular purpose

The National Coordinating Council recommendations are designed to clarify roles, maximize resources, avoid duplications, and improve service delivery to a diverse population.

Recommendation 1: Distinguish between campus-based and community-based programs. This recommendation will have the following effects on Talent Search:

It would let Talent Search programs focus on youth and educational opportunity centers focus on the adult learner. We feel that the EOCs, which are community based, should focus on the adult learner because of the great percentage of the part-time students and the adult student population who are in need of flexible services at convenient times and locations.

Most of the adult learners need other supportive and/or social services that are community based, such as information relative to food stamps, child support, and employment opportunities. Talent Search, on the other hand, is focused on youth, and should seek to assist them in securing fuller and more supportive services available at campus-based programs at the institutions in which these youth enroll.

However, we strongly recommend that campus-based Talent Search projects utilize community resources to their fullest potential in serving Talent Search students.

Sister Mary Agnes has cited some ways that her Talent Search program utilizes the community.

Another way might be to set up satellite offices within the community to be used by the Talent Search students.

Although we are proposing that Talent Search focus on youth and EOC on adults, in those areas where there are no Talent Search projects, EOC would serve adults and youth, and where there are no EOCs, Talent Search would serve both youth and adults.

Recommendation 2: Core services for each project are recommended as a means of eliminating the duplication of services, and to provide for more program effectiveness and efficiency.

The core services currently funded for Talent Search under the current legislation include identifying students, publicizing postsecondary education programs, and encouraging students to enter postsecondary programs.

Tutoring has been added to Talent Search as a core function. When such services are not otherwise available, many of the Talent Search students need academic tutoring before they can gain confidence that they can master postsecondary study.

This is especially true for those students who have dropped out of high school, or who have delayed postsecondary entry.

Although we are proposing core functions for Talent Search projects, many times the Talent Search projects will have to do, or utilize additional functions.

In my talent search program, I serve 1,000 students at 25 high schools. Four of these high schools have no counselor on staff. Three have their rotating counselor, which means that there is a counselor at a particular school 2 to 3 days per week, and those schools that have a full-time counselor have caseloads of a ratio of one counselor to 350 students to one counselor to 600 students.

EOC core functions are to provide information with respect to financial aid and academic assistance for persons desiring postsecondary education, and to provide assistance to such persons applying for admissions.

However, in addition to these services, EOC may provide tutoring and counselor services if these services are not available through Talent Search or Special Services projects.

In conclusion we feel that the National Coordinating Council's recommendations for the proposed legislation will restructure these programs, Talent Search and EOC, to avoid overlap, more clearly define the participants, maximize the resources, and improve the delivery of the services to a more diverse population.

Thank you.

Mr. **Perez**. Thank you, Irma.

Mr. Fellenz.

STATEMENT OF PETER SCOTT FELLENZ, NEW ENGLAND ASSOCIATION OF EDUCATIONAL OPPORTUNITY PROGRAM PERSONNEL, STATE PROJECT DIRECTOR OF EDUCATIONAL OPPORTUNITY CENTERS FOR MASSACHUSETTS

Mr. **Fellenz**. Congressman Ford, Congressman Buchanan, and other members of the subcommittee, it has been a few years since I have had 10 minutes before a committee, and I treat it as a serious challenge and a real opportunity. There is, to me, a sense of events going on here. I am very pleased to be part of the New England TRIO-based association, and to be representing and backing the work of the National Coordinating Council.

As an Educational Opportunity Center director, it has taken some time and struggle and thoughtfulness for EOC to reach its place as part of the TRIO program. I am glad that that is the outcome of the last few years' interaction.

The people who are appearing with me and the others who spoke previously this morning have my deepest professional respect, and that is not a light matter when you are dealing with clients' issues that can often be very frustrating. The sense of professionalism and cooperation in this group makes every day rewarding, and means that when I go back to Worcester, Mass., and to my state EOC project, I can share a sense of potency, control, development, and growth, knowing that I will be working with other professionals on a variety of issues.

I would also like to acknowledge that there are other people who, in one way or another, receive Federal support, and have been helping us all. These include the National Center for Educational Brokering, the College Board, the FIPSE-funded CHOICE project, and the Educational Commission of the States, which greatly contribute to professional development through their conferences and materials, and in many other ways, to the educational mission of the States.

These groups are able to put on conferences, and develop materials and networks of communication that we can readily use to share the state of the art while we spend most of our resources, as we should, concentrating on direct service for our clients. This sharing and support is always happening through these groups. And again, I wish to report so with enthusiasm.

Next, I would like to give you a brief review of the Educational Opportunity Center grant and how it operates in the Commonwealth of Massachusetts.

We have one of the larger EOC grants, approximately $380,000. We spread these funds across five direct service operations in storefront, model-city areas of older urban centers of Massachusetts such as Boston, Lynn, Springfield, New Bedford, Fall River, and Worcester itself.

With these funds, we are able to set up a staff of approximately four professionals at each of the five sites. Each of the five locations provide services to 1,000 to 1,500 people, meaning that 5,000 to 7,500 people are assisted every year. About 75 percent of these people are adults living within low-income neighborhoods.

Our most typical adult client is somewhat more frequently a woman with a 10-year-old high school transcript with B's and C's on it, and having some vague idea, often through another friend, that post-secondary education is now possible. This client usually has little understanding that financial aid is available. With no clear idea about those aids, she is thinking: "I am not eligible for any support." This person has heard a vague rumor that some help is out there; somebody referred them to us at EOC.

We are able, as promptly as possible, to fill out, statewide, perhaps 5 to 6,000 BEOG grants a year, helping those people to get that application in the mailbox that day if possible. It is also filled out in a competent manner so that they will not be faced with the additional frustration for having it returned for inadequate completion, as Sister Mary Agnes pointed out a few minutes ago.

Second, in terms of your question about evaluation, we did a followup study of our clients from 2 years previously, and found that 50 percent had either completed some program, or were still working toward the completion of that program in which they were enrolled.

When you consider the economic stress of many of our clients and their being out of high school, that 50 percent retention rate, to us, looks acceptable. While it could be better, I think it makes us more a part of the solution than a part of the problem.

I would like to take a minute to ask for your understanding and support of the sensible policy recommendations which the National Coordinating Council is putting before this committee.

As an Educational Opportunity Center director, I find it very reasonable to recommend that Talent Search concentrate on youth service and that the newer Educational Opportunity Centers concentrate on adult service. Such service patterns are a reflection not only of the legislation, but of the history of our two programs.

Second, the eligibility criteria make sense. I would be willing to have someone review the 6,000 clients in our files. I am sure that we would be within a percentage point or two of having two-thirds of our clients within the proposed first-time or the 150 percent of poverty criteria.

Also, we support the recommendations to the National Coordinating Council that the bulk of the postenrollment services, not all, but the bulk of them, be delivered through the expansion of the Special Services project.

All of the Massachusetts EOC staff are located in storefront operations. We have tried, under the current legislation, to stretch our services in the postenrollment direction. We have found, however, that a community-based agency is not the ideal place to provide most postenrollment services; that is, counseling and tutoring people once they are enrolled. It is not the best place to meet those needs. The college campus-based service is better.

We do have flexibility within our recommendations to provide postenrollment service for adult learners with broad family and adult needs. This includes the special needs of part-time learners.

I would also like your understanding on the question of EIC's, and the legislative future of Educational Information Centers. We have found that the Educational Information Center programs funded in each of the 50 States have played a role in pulling together the various forces within each State.

The TRIO programs are operating in a different context than EIC's which are within State government. The State has the ability to pull together HEW, [illegible] labor resources which often have been very fragmented. They may also tie in higher education and vocational resources together within each of our States.

Therefore, we recommend a continuation of EIC legislation. We find that it does draw monies together. It may also loosen up some State monies that can help us to fill the gaps in present service.

I would like to conclude by supporting the recommendation of our group for a substantial increase in the authorization ceiling for funding. Let me illustrate the need to do so. Massachusetts is fortunate to have one of the larger EOC grants of $380,000. In addition, the Boston area has a $130,000 Talent Search grant.

With that half million dollars of such service money, we are jointly able to serve several areas of Boston and the urban centers I have mentioned, but we are still not able to target services for old industrial areas like Lowell/Lawrence/Haverhill, or Brockton—south of Boston. Nor can we serve Pittsfield, North Adams, the area of the Berkshires, or to target services for rurally isolated persons.

So my estimate is that we are able to do perhaps one-third of the job at the Talent Search and EOC level with half a million dollars, and that another $1 million in Massachusetts could be put to work, I believe, with some healthy arrogance, in 60 to 90 days.

We have evidence that four times as many agencies are bidding for this kind of money as the Office of Education is presently able to fund. That has also been the case in Massachusetts and throughout New England. I believe it is important to say that sometimes funding gets out there before agencies are ready to put it to work. Well, I do not think you have that case, nationally, with TRIO.

Finally, word about the Middle Income Assistance Act is getting out. People by the hundreds are coming out of the hills. They are coming out of the middle income neighborhoods. They are coming out in Worcester and other cities where we work.

I went down to one of our EOC Centers the other Saturday morning. The staff got me to bring out the coffee. They do not trust me to fill out the BEOG applications, but they trust me with the coffee.

We had 20 people in that EOC office on that Saturday morning. One gray-haired couple had three children starting college, or continuing in college. We managed to fill out three BEOG applications for them in half an hour to 45 minutes, and they had the greatest praise for my staff person and for our program.

I just looked them in the eye and said: "Those are Federal dollars that are paying my salary, the staff's salaries. We thank you personally for the compliment, but we would like you to have it stick in your mind that, we hope, these are good uses of Federal dollars, and that you spread that word."

So we are ready to work. We are working hard. I am excited about the program, and we appreciate your past understanding, and your future support and consideration.

Thank you.

Mr. **Perez**. Thank you, Mr. Fellenz.

I just have a few summary comments, Congressman Ford, regarding this panel.

The issue of money and the authorization level is extremely important. We have touched on what is needed and the rationale. I am sitting here as a member of two organizations: a member of the National Coordinating Council and also as a member of the Hispanic Higher Education Coalition. I would like to give you some quick points on why we feel the revised eligibility criteria and the authorization level makes sense.

First, the intent of the proposed revisions is to reach the working class, the lower, middle income class who are right on the margin of the current guide lines. This is a sizable group of people. There is data that we have reviewed.

This population should not be denied TRIO services based on the following rationale:

We find that first generation students are less likely to graduate than non-first generation students.

Second, first generation students generally come from families of a high incidence of poverty. And I can safely say that in the Hispanic community, we are talking about 95 percent of Hispanic families who do not have bachelor degrees, and who are also in the low-income communities. Poverty and educational attainment is the whole thrust for educational opportunity.

The first generation student concept includes large numbers of minorities. Similarly, there is a great number of minorities in the TRIO programs. It would not differentiate the current sort and number of students involved, and the first generation student program would create equitable participation for both male and female. It is much more definable, and it can be implemented at the Federal and local level with less interpretative discrepancies than the program which currently exists now, and which existed in the past.

Now, the authorization level, given the current unserved populations which are heavily documented in all of our testimony and the Office of Education has documented, and the expanded application of TRIO, as we have it in our document, justification for a $400 million authorization makes a great deal of sense, but beyond this, there are several points that the subcommittee should consider.

First, TRIO needs to match support with the expanded BEOG commitments, or mission. The scope of the BEOG grants expands the populations that TRIO may not be able to serve within the current law. Our proposed eligibility revision would take care of this, but a higher authorization is warranted to set the process moving.

Second: With the advent of proposition 13 and other similar measures in response to budget constraints, State and local educational programs may be curtailed.

This would create a vacuum, particularly in States with educational opportunity efforts supported by State and local funds. The Federal share will play an important role in stabilizing and encouraging educational opportunity support services during these difficult times.

Third, TRIO remains a low cost-program. All of our data and the documentation we have turned in have shown, if you compare our cost to other social interventions, that this is a very low cost program. An investment of $400 million creates an impact of three times that amount when you consider the range of services that we provide and all of the institutions of higher education, community organizations and agencies matching TRIO funds.

Fourth and last, a $400 million authorization is a national investment in the future of the American citizenry and the economy.

TRIO continues to provide upward mobility, breaking the cycle of social dependency, and providing a mechanism for independence.

If TRIO could continue providing such a foundation, many Americans will go on into the world of work and the affairs of a Democratic society in a more responsible and prepared manner, and this will only support the future economic and social development of this Nation.

Thank you, Mr. Chairman.

Mr. FORD. Thank you very much.

Ms. Burks, on page 3 of your statement, you have a breakdown of the total number of students served by Talent Search . . . I do not know which year this was . . . 146,000, and it is now close to 200,000, but I am curious: if a program has been focused on youth, why is there a preponderance of female clients?

Ms. BURKS. I think that we have . . . just from the type of students we receive . . . we have a tendency to get more female students into the program, not that we, focus on the female, but they accept the services, I think, a bit more in those particular areas.

I think that would show up in Upward Bound, too, especially in my section of the country, although this is a national study.

We are not just focusing on females, but we just tend to get them. They are more acceptable, I think, of the services.

Mr. FORD. I am not questioning or aruging with it. I am just curious about the dynamic that causes that kind of disparity. When we look at the age, the age of the female students is higher than the age of males across the board. We have more women beyond the traditional age, for example, substantially more women beyond the traditional college age attending some kind of postsecondary education than we have men. But at the level of high school, it is running as close as it is ever going to be, a 50-50 sort of proposition, and when you look at the high school dropout figures, there is a substantially higher dropout rate for the males than there is for the females.

Ms. **Burks**. Yes. That is very true.

Mr. **Ford**. And yet, when we look at the target population that is recruited through this, we find about an 18 percent difference between males and females. I do not understand why.

If it were in the youth category, I would understand that kind of bridge. When you talk about the EOCs serving an older population, because that is where this distortion is, male-female postsecondary education consumer, there is a natural sort of a pattern that continues to grow in that direction.

Ms. **Burks**. Well, my own judgment would be that the females are more motivated and accept the services. And I guess maybe we need to do more in motivating the males at the high school level.

Mr. **Perez**. I might add that I think there are some employment patterns that connect with the problem, and that is that many males go on into the world of work, and this is a statistic that has been springing up since we have been offering the services because we do not deny services to people based on sexual criteria.

Men go on into the world of work.

Women, who are at home, may have the opportunity to pursue some of these opportunities, that are available in the community they shop in and live in.

This is one of the reasons why we had looked at the first generation concept, as an equalizer to this problem.

Mr. **Ford**. Mr. Buchanan.

Mr. **Buchanan**. Thank you, Mr. Chairman.

First, please let me thank you for explaining to the people about the federal funds, Mr. Fellenz. Everybody in the country wants us to balance the budget here in Congress, however, the attitude is to balance the budget, but do not cut me, cut that fellow behind the tree.

The people back home often do not understand the source of funds for services they very much want.

I appreciate your explanation. I think that everybody who relies on federal funding is going to have to start to do that same thing. You are setting a good example.

I would appreciate it if you and Ms. Burks would both respond to this: What is the nature of your relationship with EIC? Is this a friendly relationship? Do you work together, and do you envision ways through which you can work together? Is there duplication?

Mr. **Fellenz**. First of all, I have to be careful. I cannot speak as the typical EOC director on that.

In Massachusetts, we make statewide use of our EOC money. We are the only State that has that use of EOC's. Other EOC's concentrate on an urban area, or on a portion of a State.

Also, the grant that I am managing was previously run by the State Secretary of Educational Affairs. In competition, however, the grant moved 50 miles west of Boston, to Worcester, a few years ago. On the other hand, I do see positive things, certainly, in the directive for EIC, at the State level. The director of Talent Search, the director of the New England Association of Educational Opportunity Personnel and I are on the EIC committee, among a variety of other people who work out of other financial aid offices and institutions. So we have access to decisions going on in that group.

The amount of money being portioned out, about $50,000, in EIC money for Massachusetts is small compared both to our EOC grant or the population.

The EIC committee does give another context for people to work together. It does bring the State into some action. And I have found in Massachusetts, as well as in national travels, that states often are utterly unaware of TRIO programs: where they are, what they mean, and how they work, and the great range of how these programs can work regarding scholarship moneys, and state spending policies. EIC has an opportunity at the funding level it is at now. I think it is good. It is getting people talking to each other who have not done so.

I think Ms. Burks has a few comments, too.

Ms. **Burks**. In the State of Mississippi, I serve on the advisory board for EIC along with, I believe, three other TRIO project directors. We have sat in the planning meetings. We have talked about how we can disseminate information once we get it, but as Peter has also mentioned, most persons who are on the advisory board do not know anything about the TRIO programs in the State of Mississippi, but we feel, certainly, that we have begun to talk, and we feel that we will be able to coordinate a lot of our activities from now on.

Mr. **Buchanan**. Very good.

Mr. Fellenz, has the 1202 mission been active in helping various information counseling centers in Massachusetts coordinate in order to avoid duplication? Do they coordinate?

Mr. **Fellenz**. The 1202 mission has just been moved from the Secretary's office to the Board of Higher Education, and the directing of EIC is one of the 1202 Commission's functions. So we get all of those back together. In Massachusetts—again, I do not think I should generalize—higher education is about the third largest industry in the Commonwealth, and tension levels are quite high today between the various sectors and groups. There is a study proposing to dissolve the board of higher education, and to reorganize public higher education. There are a great number of other issues.

For example, we have a fellow who is the president of Boston University, Mr. Silber, who is pushing for a tuition financing plan for higher education. The 1202 Commission can do some things, but again, I think that the members of this, The House Post Secondary Education Committee, might have to be aware of the 1202's proportion within the total situation. When you have such a massive higher education industry, unless you throw a lot of Federal dollars in with a very clear purpose, such funding can get overwhelmed by the staff of one college president. The question of size is very important in that State.

I think that others could speak for, say, smaller States where that same amount of money might have a radically different influence.

Mr. **Perez**. The State of California: That is not much smaller than Massachusetts, but there is the same old thing of the strong State postsecondary mission that really takes an interest, and gets involved in connecting with Federal programs, and trying to ease that coordination of those two programs versus some States that may not have that kind of approach due to a lack of resources, or whatever.

In a set of recommendations in a separate piece coming out of the Hispanic issue, we talk about various ways that the 1,202 missions can be applied to that kind of coordination. I might recommend that at that point in time, you might want to look at it.

Mr. BUCHANAN. Thank you very much.

The law is very specific about assisting students in rural isolation, and who are disadvantaged because of that rural isolation. Does your program service rural youth?

Ms. BURKS. Yes, it does. I could hardly be located in Mississippi without serving rural youth, but unfortunately, or fortunately, I am located in what is considered to be the Mississippi Delta so I service that 18-county area, which all of the demographic material will support the fact that they are the most impoverished area in the State. They have the highest school dropout rate and, of course, they are underemployed, or unemployed in that particular area.

Mr. FORD. I surely hope we have got a program in eastern Kentucky.

Mr. BUCHANAN. I was thinking: We do not have a witness from Kentucky today, Mr. Chairman.

I can talk a little bit about eastern Kentucky. I serve that program.

Mr. PEREZ. Very good.

Mr. FORD. That will help us when we get to the full committee.

Mr. BUCHANAN. Well, I certainly should know the nature of Mississippi, but I thought everybody lived right in town. [Laughter.]

Mr. BUCHANAN. That was preliminary to asking you about serving rural students.

It is my understanding that in some cases, Talent Search and Educational Opportunity Centers have been combined in rural areas. I wonder if you have any comments about that.

Ms. BURKS. Yes. I do not see how that would serve as an advantage at all. I think that, certainly, as I was trying to allude to in my presentation, many of the kinds of services for rural students, or for Talent Search students, should take place within the communities and, certainly, I guess maybe if they were sparsely populated, maybe yes, but we have the opportunity of getting into the rural areas. It may just be more expensive, but I do not see how it would help to combine the Talent Search programs with EOC to do that other than to provide maybe even more kinds of services.

There are no EOC's in there. I am from what was formerly region IV. We have an EOC in Alabama, and one or two in Georgia, and one in Kentucky, and most of them are serving metropolitan areas, for the most part.

Mr. BUCHANAN. Again, I think you have already answered, but if these were treated as two aspects of the same basic program under one administration, would you find that not desirable?

Ms. BURKS. Yes. I would find that not desirable because I still feel that for those services going to Talent Search students and with that age group of students, you are trying to send them on into postsecondary education, and you have the opportunity, you have a closer relationship with the kind of supportive services that they need at a postsecondary institution whereas from the EOC's, they are more closely related to postsecondary education but not secondary education, and we are equipped to serve both from the postsecondary level and the secondary level.

Mr. PEREZ. Let me just add to that by saying that all of the Talent Search grants are much smaller, generally, than the Educational Opportunity Center grants. There was a purpose for that in the original thinking.

The EOC program seems to be much larger, it provides greater outreach. EOC reaches people in the metropolitan, and large rural communities whereas Talent Search programs are more localized, in a smaller community setting. There is some good thinking behind this because there is a need for a wide dissemination kind of activity, and it also needs a one-to-one kind of local activity.

In the case of eastern Kentucky, it may just be a question of resources, with little resources in Talent Search, and EOC they felt that in that particular case it was necessary to consolidate to try to serve a larger area our recommendations do not support overall consolidation of EOC and Talent Search and the original thrust of the large and small operations we feel, is much more fruitful.

Mr. FELLENZ. To amplify that, it has taken 5 years in Massachusetts. It takes a while to build a reputation.

We now turn to the State for response, and ask for statewide consideration of financial issues. We are now in a situation to almost negotiate on certain items with the State scholarship authority. We are in a position to be invited to cosponsor a workshop with the State senator who is the head of the Massachusetts Legislature's education committee. In most of our endeavors, our entrance has been due to the fact that we work with 5,000 disadvantaged adults a year, and everybody has started to talk on and on about how adult learners can fill the gap as the number of kids drops by about 25 percent. However, when you look at the senior leadership in higher education, either managing institutions or agencies, most have had very little experience with adult learners, and less with adult disadvantaged learners. I would say that to continue to buy into EOC's at whatever level as an identical adult oriented TRIO program could be very valuable for input to this committee and, I think, to the Office of Education.

I am finding it very exciting. I expect to stay with TRIO and EOC a long time. There is a lot of action. I think that the EOC issues are somewhat separable from the Talent Search challenge to bring about a cooperative relationship with 20 or 30 secondary institutions within an area of a State.

Mr. BUCHANAN. I appreciate those responses. I was not asking from any particular point of view but, you know, we create a multiplicity of programs, and you do have administrative cost savings where you can logically put things together. But I appreciate your clarifying the record.

Mr. PEREZ. Thank you.

Mr. FORD. Thank you. I would observe that the $400 million figure does not scare this committee, but do not get anybody's hopes up.

The budget request from the Administration is $130 million for all of the TRIO programs, $10 million below last year's appropriation. If we can get it up to last year's appropriation, I would consider that a great accomplishment with the present atmosphere around here. And I echo what Mr. Buchanan said. Every Member of Congress is being asked: What are you doing about cutting down Federal spending? And there is very little distinction out there in people's minds between programs like this and any other particular financing that they recognize more clearly as a Federal function.

Maybe that is the problem, in getting that constituency alerted to the fact that this kind of service is being targeted for reduction. If you take the inflation cost and add it to the $10 million cut, it becomes serious. Staying at the level funded is serious because inflation is 10 percent, and as to a reduction, depending on the part of the country that you are in, I suppose, there might be some differences in overhead costs and other things, but generally, it is pretty much a national phenomenon.

We understand that there will be an attempt in the appropriations committee to try for around $155 million. It seems a realistic target.

I hope that all the people whom you represent will be supporting Mr. Stokes when he makes that effort because it is going to be one of the many efforts to try to get back to last year's spending levels.

The opportunities for complaints and lobbying with respect to the funding of education are unlimited this year.

The only thing worse than a skinflint Republican President is a tightfisted Democratic President. [Laughter.]

Mr. **Ford**. It is just more painful for me as a Democrat. I have to live with it.

Mr. **Perez**. Yes. We appreciate your efforts.

Mr. **Buchanan**. Will you yield?

Mr. **Ford**. Yes.

Mr. **Buchanan**. I wish I could say that it is less painful for me, but the truth is that I, too, thought that a Democratic President would be a little more liberal in his spending habits.

Mr. **Ford**. Next time, I will get one north of the Mason-Dixon line, and see if that makes a difference. [Laughter.]

Mr. **Ford**. I want to thank the panel.

Mr. **Buchanan**. Excuse me. I just have one more question.

The issue will be raised that too much Talent Search budget money is spent in travel.

Do any of you know anything as to why the travel and who travels?

Sister **Schildkamp**. Yes. I can certainly address that.

I have been asked at negotiation interviews, for instance, "Where do you go?" In our six-county area, I will say. In five of the six counties there is little or no public transportation. People cannot come to us. We go to the community action centers. We go to the towns, you know, in each of these countries where people can get to, for instance, to welfare offices. They let us use their office, their telephone, for a day a couple of times a month. We have to go to homes. That is particularly true in two of our counties where even the kind of centers where our counselors can go are few. So we do it entirely by going out to the people to get our message to them. There is no alternative.

I remember one time that I was explaining Talent Search in the rural and semirural areas such as ours to the Talent Search staff in New York City. When I was leaving the office that day, I said: Sometime, if you are ever in southwestern Pennsylvania, come and see us. I could tell they did not understand our description of rural. One of the men said to me: "I certainly would like to come out there. I would like to see Rural." [Laughter.]

Mr. PEREZ. Well. Distance.

Mr. BUCHANAN. You know, we in this body do a lot of travel which unkind friends will refer to as junketing. I wonder what percentage would be for traveling to conferences, or that sort of thing.

Sister SCHILDKAMP. Very little. Very little. Most of this staff travel is to get to centers, or to homes.

Mr. BUCHANAN. The travel is directly connected with Talent Search and the service.

Mr. PEREZ. With the service.

Sister SCHILDKAMP. That is right.

Mr. PEREZ. In fact, Sister, in your testimony, you have some data on the cost of Talent Search, and the majority of the cost is dealing with the direct service activity.

Mr. BUCHANAN. Thank you so much.

Thank you, Mr. Chairman.

Mr. FORD. Thank you very much.

I will try to get quickly to our last panel for today.

On our final panel we have Mr. Roy Fuentes who is with the National Education Association in Washington, D.C., and Ms. Jackie Hardy who is the director of the College Assistance Migrant Program at St. Edward's University.

Without objection, the statements will be inserted in full at this point in the record.

[The prepared statements of Roy Fuentes, and Jacqueline Hardy, follow:]

PREPARED STATEMENT OF ROY FUENTES, MANAGER FOR MIGRANT EDUCATION, NATIONAL EDUCATION ASSOCIATION ON INCREASING OPPORTUNITY FOR AMERICA'S MIGRANT FARM WORKER YOUTH

Mr. Chairman and members of the Subcommittee, I am Roy Fuentes, Manager for Migrant Education in the Teacher Rights Division of the National Education Association.

The purposes of the NEA, which represents about 1.8 million teachers and other educators, are to "elevate the character, and advance the interest, of the profession of teaching and to promote the cause of education in the United States."

As a result we are directly involved with the education of migrant workers, and we are especially interested in assuring that a comprehensive education—with meaningful access to opportunity—be provided migrant workers and their children.

Too long has our nation taken for granted that the place for the migrant worker's child is in the lettuce fields and the orange groves, rather than in the classroom or the school laboratory.

We have in the past made known our position on what we firmly believe are the two basic rights of the migrant worker: collective bargaining and educational opportunity. We will not dwell on the former at any length at this point, but we do want to explore the latter.

We would note that while there are many federal and state programs to help people help themselves, the migrant worker is still at best only minimally included.

Among the social, educational, and other programs that benefit millions across this land, the migrant agricultural worker is almost an unseen person.

This is not to deny that there have been gains made in recent years, Mr. Chairman, significant gains in the educational field. We commend you and other Members of the Congress for your efforts in this area.

There are an estimated 800,000 migrant children in this country. Our most recent information, developed through the computerized Migrant Student Record Transfer System, shows a total enrollment of more than half of them—422,200—as migrant students.

Imagine, if you will, 400,000 pupils, one of the nation's largest "school systems",[1] as it were, moving across the country, following the seasons, the crops, the weather, a mobile force whose harvest—aside from the tomatoes and the beans and apples—is all too frequently one of the bitter fruit of disappointment and dreams that will forever be unrealized.

As I have noted, Congress has authorized programs to improve migrant children's education, through Public Law 89-10 of 1965 and Public Law 89-750 of 1966—especially the latter—as parts of the Elementary and Secondary Education Act. But as your Committee considers legislation dealing with postsecondary education—which now includes both higher education and vocational education outside the regular high school setting—it will quickly become clear that a critical need exists to assure educational continuity for the highly mobile agricultural worker.

Consider only tow major points.

First, the median, or the average, schooling of a migrant farm worker is five years, despite our best efforts, while the average for the rest of the population is ten years.[2]

Second, less than 10 percent of migrant farm worker young people are graduated from high school.

A school "system" that produced these results in any of our communities would not only be subjected to severe and well-deserved censure. It would be replaced altogether.

Of the total 422,000 enrollment, approximately 360,000 are in the kindergarten through 12th grade group. And it is in the latter years, the high school years, when achievement expectations should be so great, that disappointment is the only reward—again, a "graduation" rate of something like 8 or 9 percent.

Three major reasons may account for this depressing result.

First, the philosophy of influencing children early in their educational experience resulted in major efforts toward improving elementary grade programs under ESEA Title I.

Second, the argument was made that the economic needs of the migrant family required that the older youth leave school so as to contribute to the family earnings. Although the idea that a child must leave school to help support the family was prevalent to a great extent in the past, we have abandoned this notion, especially when a lack of education is a clear handicap in an industrialized society that increasingly demands skills and more than a basic education.

Third, the argument for economic need may have resulted in another mistaken notion—that migrants have no interest in, and aren't prepared to do well in, higher education and vocational programs.

In any event, we are consigning to the scrap heap, with rejection and a lack of regard, an entire great section of our population who offer a rich diversity of knowledge and culture to our society.

The evidence we have from the woefully small programs aimed at fostering high school education and college achievement for migrants demonstrates that native intelligence enables them, with or without preparation, to succeed in higher learning programs, including college. Migrant youth do aspire to high school diplomas and college degrees. Their reach does exceed their grasp, as the poet Robert Browning urged, but we do little or nothing to bring that Heaven of which he spoke closer to them.[3]

The College Assistance Migrant Program (CAMP), an intensive tutorial and orientation for first-year migrant college students, helps them put together a package to complete their college education.

It operates parallel with, and supplementary to, the High School Equivalency Program (HEP), which helps the agricultural migrant student prepare for college by earning a general education diploma.

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[1] Larger: New York City, 137,578; Los Angeles, 555,755; Chicago, 520,978: NEA Research

[2] High School Equivalency Program Fact Book, published under a grant from the Migrant Division, Office of Economic Opportunity, Washington, D.C., p. 5

[3] "Ah, a man's reach should exceed his grasp/Or what's a Heaven for?" *Andrea del Sarto,* Robert Browning.

We have plentiful data on the effectiveness of these programs, statistical and subjective as well. The statistics are voluminous, and time and other considerations prohibit their detailed recitation, but we would like to note that in at least 11 areas the CAMP program excels in opportunities and potential development to a point not exceeded by other programs for disadvantaged students. Among these important areas are language skill training, financial aid, tutoring and counseling, study skills and enrichment, and summer employment services.

We believe the size of CAMP and the number of students served by it allows for more individualized instruction than does the program of Special Services for Disadvantaged Students which is designed to give tutoring, counseling, and other support services for disadvantaged students, but which we believe does not do it as effectively as CAMP does.

Because of the inexperience by the migrant student in dealing with bureaucracies—large, impersonal organs speaking a different language (even when it's English) and operating in virtually a different world—CAMP closely supervises the student's dealing with the red tape on campus. While, admittedly, the Educational Opportunity Center offers this kinds of service, it is not as individualized. As you know, the EOCs are regional centers which combine the operations of: Upward Bound, an intensive summer college preparation program thatis minimal in supporting services; Talent Search, mainly a recruiting activity matching disadvantaged persons with colleges accepting them, but which provides no money for tuition or support service; and the Special Services for Disadvantaged Students, mainly a tutoring and counseling service. All of those I have just mentioned are part of the Trio Programs of the Office of Education.

√ The Trio programs, which the NEA fully supports, are highly urban. While we recognize and encourage achievement of goals set by TRIO, it must also be acknowledged that the focus is not on the rural, traditionally neglected hard-to-locate migrant population. TRIO serves a relatively stable population; in this respect, CAMP—designed for the special characteristics and problems of a mobile group—is complementary to it.

But it is important to remember that, complementary though it may be, CAMP provides the only comprehensive postsecondary education program that monitors a student's progress, taking into account the environmental and academic factors as well. Administrators, faculty, and CAMP staff all have a part in this.

CAMP is designed to help the migrant students out of the fields—to which they otherwise are almost certain to return—and can be instrumental in helping them become teachers, counselors, lawyers, social workers, doctors, industrial leaders, nurses, or architects, and enter into all those professions whose ranks have too long gone without minority representation, and with almost no migrant agricultural students whatsoever. We might even someday see House Members and Senators rise from their ranks, too.

The High School Equivalency Program, mentioned earlier as an aid to the migrant student in pursuit of a general education diploma, was designed specifically to serve a population not currently served by an educational program of the federal government: the high school dropout.

Through an extensive recruitment system, HEP identifies and enrolls potential participants who are then relocated in the stimulating educational atmosphere of a university, away from the usual obstacles found in and around the migrant environment. They become part of an intense, accelerated, individualized academic program, leading to completion of their secondary education upon passage of the General Education Diploma examinations, and with the award of certificates of equivalency. But even before the end of the program they are helped in achieving placement in higher education, or in a job training program or employment.

What has been the record in CAMP and HEP? I would like to cite only a few statistics of achievement.

In CAMP, 83 percent of the migrant students completed their first year of college successfully. Ninety-eight percent of CAMP program graduates are gainfully employed or continuing their schooling. CAMP students achieve a B-minus (2.52) college grade point average—which matches or surpasses that of most college freshmen. No CAMP student who has completed the program has been known to have returned to migrant labor as the chief source of income.

In HEP the results have been similarly encouraging. Sixty percent of the HEP students are graduated, receiving a General Education Diploma. Ninety-two percent of the HEP participants are placed successfully in jobs, training, or higher education.

Unfortunately, there are only three CAMP and 14 HEP programs in the country. These are administered by the Department of Labor under the Comprehensive Employment and Training Act (CETA).

We believe that Congress, as it moves to improve the Higher Education Act of 1965 with additions that would allow HEP and CAMP to continue to be effective—to protect what ingenuity and resourcefulness have been cultivated so far—should also incorporate the PASS Program (Portable Assisted Study Sequence) into the legislation.

Essentially, PASS, a California high school pilot program originally, is a correspondence program tailored to the special needs of the highly mobile migrant worker student. In PASS the student receives credits that are accrued toward graduation upon completing the course requirements. PASS also has the appropriate links with state and regional education authorities and local school district counseling staff who deal with migrant school problems.

But more important, PASS, along with HEP, creates the link between high school and college, between high school and the CAMP-administered program. It helps preserve the educational continuity that we wish to emphasize, and which we believe is so imperative. It is fundamental that educational needs of the migrant worker not be fragmented and that Congress, the institutions of higher learning, and the secondary schools work cooperatively to provide the necessary linkage between secondary and postsecondary programs.

The emphasis on academic goals in HEP and CAMP would appear to be incompatible with the Department of Labor's manpower training philosophy, inasmuch as the Department attempted to eliminate these successful programs in 1975, arguing that they were not cost effective—an engineer's phrase more properly used when trying to determine whether to build a dam, dredge a river, or construct a road.

Nobody denies that higher education is an expensive endeavor. But "cost effectiveness" can also be measured in returns from a higher earning power, and increased spending for proper food, shelter, clothing, medical care, and all the other amenities—not to speak of a few luxuries—that increased income provides. Increased tax revenues from adequately educated, welfare-free, income-producing citizens more than offset initial investments. These, too, enter into the "cost effectiveness" formulas for people.

Because of the apparent incompatibility between these programs and the Department of Labor's philosophy, the NEA has urged that HEP and CAMP be transferred from that Department to the Office or Department responsible for education. The NEA believes that its recommendation remains appropriate, timely, and urgent.

As a result of the unique and complex problems created by excessive mobility and rural isolation, the NEA urges Congress to enact a separate Subpart 5 to Title IV of the Higher Education Act, entitled Subpart 5—Special Programs for Students from Migrant Agricultural Backgrounds.

This addition should direct the Commissoner of Education to establish programs such as the College Assistance Migrant Program (CAMP), the High School Equivalency Program (HEP), the Portable Assisted Study Sequence (PASS), and others aimed at identifying, recruiting, and providing quality education and comprehensive services for migrant students in secondary and postsecondary education.

We also recommend the authorization and appropriation—until such time as an equitable funding formula is established—of \$20 million in each of the fiscal years 1980, 1981, and 1982. The funds should enable maintenance and/or establishment of existing secondary and postsecondary migrant programs, as well as new ones in areas where seasonal farm workers are not now served by them. We also urge the funding of institutions that would plan, develop, and carry out services to migrants who possess academic potential, but who are limited in their access to higher education opportunities because of their mobility and rural isolation.

While the content of these programs may be recited in greater detail, as a minimum we believe they should include active recruitment of migrant worker students, financial aid, career-oriented work-study activity, tutoring, counseling, housing support, and other essential services.

The Commissioner should also be directed to give priority consideration to consortium applications from higher education institutions as well as local education agencies with migrant programs. Necessary assurances by the institutions—such as promising to maintain a full-time migrant affairs office to publicize and provide the services we have described—should be made part of the applications.

The NEA also recommends that in meeting the challenge of designing programs to meet the needs of a highly mobile population, Congress establish an administrative unit for migrant higher education programs. This should be done by adding a new Section 111 under Part A, Title I of the Higher Education Act of 1965. The new section, to be entitled "Administration of Special Programs and Projects Relating to Migrant Agricultural Workers," would call upon the Commissioner of Education to establish such a unit to administer all migrant provisions in the different titles under the Higher Education Act. The unit would make grants based on Congressional funding through fiscal year 1982 to institutions of higher learning for planning and putting into effect migrant higher education programs. These programs would draw upon the knowledge and resources developed by these and other institutions and apply them to the migrant worker problem.

The migrant unit would be responsible for intrastate and interstate coordination of programs and academic credit accruals for migrant students. The Commissioner would also be directed to establish a funding formula that allows money to follow a student from one location or institution to another, within or between states.

There are several other measures that should be addressed to meet the special needs of migrant agricultural workers in achieving greater participation in higher education institutions. We hope to present our views on these at a future date.

Mr. Chairman and Members of the Subcommittee, the National Education Association, in closing, wishes to make known our support for your attention to this question. As NEA President Ryor testified before the House Education and Labor Committee in September, 1977, migrant education has made a good start under the Elementary and Secondary Education Act and its amendments in trying to change the practice of exclusion that for too long created a society outside our traditional and legal structure in America. Men and women of vision in both major political parties contributed to this great effort, however unfinished. Now, justice and fair play, as well as the enrichment of ourselves, call upon Congress to complete the job by adopting the changes we have recommended.

We thank you.

Prepared Statement Presented By Jacqueline Hardy, Executive Director, College Assistance Migrant Program, St. Edward's University, Austin, Tex., on Behalf of National Association of HEP/CAMP Directors

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, I AM JACKIE HARDY, EXECUTIVE DIRECTOR OF THE COLLEGE ASSISTANCE MIGRANT PROGRAM, ST. EDWARD'S UNIVERSITY, AUSTIN, TEXAS. I AM TESTIFYING TODAY ON BEHALF OF THE NATIONAL ASSOCIATION OF HEP/CAMP DIRECTORS WHICH REPRESENTS FOURTEEN HIGH SCHOOL EQUIVALENCY PROGRAMS AND THREE COLLEGE ASSISTANCE MIGRANT PROGRAMS ACROSS THE COUNTRY. THESE PROGRAMS HAVE PROVIDED OUTSTANDING EDUCATIONAL AND ECONOMIC RESULTS FOR THE MIGRANT AND SEASONAL FARMWORKER YOUTH THEY SERVE ON THE POSTSECONDARY LEVEL. MUCH OF THIS SUCCESS IS DUE TO THE CONTINUED EFFORTS OF YOUR COMMITTEE AND THE LEADERSHIP OF CONGRESSMAN WILLIAM FORD. IT IS OUR HOPE THAT THROUGH YOUR SUPPORT, THE TASK OF PROVIDING ALTERNATIVE PROFESSIONAL CAREERS FOR MIGRANT AND SEASONAL FARMWORKER YOUTH THROUGH POSTSECONDARY EDUCATION WILL BE CONTINUED AND EXPANDED.

THERE ARE PRESENTLY THREE CAMP (COLLEGE ASSISTANCE MIGRANT PROGRAMS) IN THE COUNTRY AT THIS TIME. THEY ARE LOCATED AT ADAM'S STATE COLLEGE, ALAMOSA, COLORADO; PAN AMERICAN UNIVERSITY, EDINBURG, TEXAS; AND ST. EDWARD'S UNIVERSITY, AUSTIN, TEXAS. A CAMP PROGRAM PREVIOUSLY EXISTED AT SAN DIEGO STATE COLLEGE IN SAN DIEGO, CALIFORNIA. UNFORTUNATELY, IT WAS DEFUNDED BY THE DEPARTMENT OF LABOR LAST YEAR. EFFORTS TO MOVE THE PROJECT TO ANOTHER HOST INSTITUTION IN CALIFORNIA TO SERVICE THOSE FARWORKER YOUTH IN POSTSECONDARY EDUCATION WERE REJECTED BY DOL.

THE COLLEGE ASSISTANCE MIGRANT PROGRAMS HAVE PROVEN TO BE OUTSTANDING EDUCATIONAL MODELS FOR THE NON-TRADITIONAL STUDENT. THEY PROVIDE TUITION AND LIVING EXPENSES AS WELL AS ALL SUPPORT SERVICES FOR QUALIFIED STUDENTS OF MIGRANT OR SEASONAL FARMWORKER BACKGROUND DURING THEIR FIRST YEAR OF COLLEGE. THROUGH AGREEMENT WITH THE HOST INSTITUTIONS, THEY GUARANTEE THAT THE STUDENTS WHO COMPLETE THE FIRST YEAR SUCCESSFULLY WILL BE PROVIDED FINANCIAL AID FOR THE REMAINING YEARS OF THEIR COLLEGE CAREERS.

DURING THE FIRST YEAR OF THEIR COLLEGE CAREER, CAMP STUDENTS ARE PROVIDED ASSISTANCE IN THE FOLLOWING AREAS:

1) RECRUITMENT FROM RURAL AREAS;
2) SUMMER ENRICHMENT PROGRAM OF STUDY SKILLS;
3) FINANCIAL AID COVERING TUITION AND FEES, ROOM AND BOARD;
4) CURRICULUM ADVISING AND CAREER PLANNING;
5) TUTORIAL ASSISTANCE AND STUDENT-TO-STUDENT ADVISING;
6) COUNSELING;
7) SUMMER EMPLOYMENT OPPORTUNITIES;
8) FACULTY AND ADMINISTRATION LIAISON.

THE CAMP PROGRAMS HAVE DEMONSTRATED THEIR EXCELLENCE IN AREAS OF STUDENT RETENTION, ACADEMIC ACHIEVEMENT, OVERALL IMPACT AND COST EFFECTIVENESS, SINCE THE MIGRANT SEASONAL FARMWORKER PARTICIPANTS MATCH OR SURPASS THE ACHIEVEMENT OF THE NON-CAMP STUDENT. THE FOLLOWING STATISTICS FROM THE ST. EDWARD'S UNIVERSITY CAMP DEMONSTRATE CAMP PROGRAM PERFORMANCE IN THE AREAS OF RETENTION, ACADEMIC ACHIEVEMENT, STUDENT IMPACT AND COST EFFECTIVENESS.

ST. EDWARD'S UNIVERSITY CAMP
ENROLLMENT AND RETENTION 1972-1977

	72-73	73-74	74-75	75-76	76-77	77-78	TOTAL
ENROLLED	72	124	143	109	175	125	748
DROPPED	34	17	15	11	15	11	92
COMPLETED	34	98	123	98	160	114	627
TRANSFERRED	4	9	5	0	2	5	20
SUCCESS RATE*	54%	83%	89%	90%	92%	95%	86.5%

*SUCCESS RATE=COMPLETIONS PLUS TRANSFERS

ACADEMIC RESULTS

	72-73	73-74	74-75	75-76	76-77	77-78	TOTAL
AVERAGE GRADE POINT AVERAGE	1.94	2.46	2.61	2.46	2.32	2.5	2.38
AVERAGE CREDIT HOURS EARNED PER SEMESTER	11.36	12.95	14.32	13.9	12.7	13.25	13.08

THE FOLLOWING GENERAL STATISTICS FROM THE 1977 "HEP/CAMP TRANSITION REPORT" SHOW THAT RESULTS HAVE IMPROVED CONSISTENTLY IN ALL CAMP PROGRAMS:

	ENROLLMENT	GRADUATES	GPA
72-73	333	260 (77%)	2.27
73-74	416	260 (83%)	2.48
74-75	461	395 (85%)	2.52
75-76	413	363 (88%)	2.37

CAMP FOLLOW-UP STUDIES

ALTHOUGH NO FUNDS HAVE BEEN PROVIDED FOR THIS PURPOSE, CAMP PROGRAMS ATTEMPT TO FOLLOW UP ON ALL STUDENTS WHO HAVE ENROLLED IN AND/OR COMPLETED THE ONE YEAR COLLEGE PROGRAM. THE FOLLOWING STATISTICS TAKEN FROM THE 1977 TRANSITION REPORT SHOW THAT THE POSTSECONDARY OPPORTUNITY WHICH THE PROGRAMS PROVIDE DEFINITELY ENABLES THE FARMWORKER STUDENTS TO SUCCEED IN ALTERNATIVE CAREERS AND CAREER TRAINING. IT MUST BE NOTED HERE THAT SINCE THE STUDY, AT LEAST TWO HUNDRED AND FIFTY STUDENTS HAVE GRADUATED WITH A FOUR YEAR COLLEGE DEGREE. AT LEAST 20% ARE CURRENTLY PURSUING HIGHER DEGREES IN LAW, MEDICINE, BUSINESS AND OTHER FIELDS. ONE OF THE FIRST GRADUATES FROM ST. EDWARD'S UNIVERSITY WILL BE RECEIVING HIS PH.D. IN ECONOMICS FROM THE UNIVERSITY OF NOTRE DAME THIS YEAR.

OVERALL TOTALS
CAMP

FOLLOW-UP REPORT 1972-1975*

TOTAL CAMP ENROLLMENT - ~~1019~~ 1117

		Subtotal #	Subtotal %
1.	CAMP GRADUATES	#	%
A.	TOTAL NUMBER	940	~~92%~~ 100%
B.	TOTAL NUMBER STILL IN COLLEGE OR SOME TYPE OF EDUCATIONAL TRAINING	601	64%
C.	EMPLOYED		
	1) PROFESSIONAL	19	2%
	2) PARAPROFESSIONAL	94	9%
	3) VOCATIONAL	70	7%
	4) MILITARY	16	1.7%
	TOTAL	199	21%
D.	UNEMPLOYED	22	2%
E.	UNKNOWN	17	1.8%
11.	CAMP DROP OUTS	#	%
A.	TOTAL # OF DROP OUTS	177	~~17%~~ 100%
B.	TOTAL # RETURNED TO COLLEGE OR SOME TYPE OF EDUCATIONAL TRAINING	25	14%
C.	EMPLOYED		
	1) PROFESSIONAL	0	0%
	2) PARAPROFESSIONAL	52	29%
	3) VOCATIONAL	29	16%
	4) MILITARY	10	6%
D.	UNEMPLOYED	14	8%
E.	UNKNOWN	47	26.5%
	total	152	86%
111.	THOSE WHO RETURNED TO MIGRANT LABOR AS A CHIEF SOURCE OF INCOME	#	%
A.	CAMP GRADUATES	5	.5%
B.	CAMP DROP OUTS	15	8%

*PARTICIPATING INSTITUTIONS:

ADAMS STATE COLLEGE CAMP, ALAMOSA, COLORADO
PAN AMERICAN UNIVERSITY CAMP, EDINBURG, TEXAS
ST. EDWARD'S UNIVERSITY CAMP, AUSTIN, TEXAS

COST EFFECTIVENESS

NOT ONLY HAVE THE COLLEGE ASSISTANCE MIGRANT PROGRAMS EVIDENCED ACADEMIC AND PROFESSIONAL SUCCESS, BUT THEY HAVE ALSO MAINTAINED EXCELLENT EFFICIENCY.

ADAMS STATE COLLEGE

YEAR	FUNDING LEVEL	ENROLLMENT	COST PER PARTICIPANT
1972-1973	$ 76,359	113	$ 675.74
1973-1974	$180,003	119	$1512.00
1974-1975	$205,000	146	$1404.00
1975-1976	$213,000	139	$1532.00
1976-1977	$225,618	140	$1612.00

PAN AMERICAN UNIVERSITY

1972-1973	$150,000	113	$1327.00
1973-1974	$180,000	122	$1475.00
1974-1975	$234,597	146	$1606.00
1975-1976	$234,597	139	$1688.00
1976-1977	$260,000	140	$1857.00

ST. EDWARD'S UNIVERSITY

1972-1973	$257,000	72	$3569.00
1973-1974	$278,620	124	$2247.00
1974-1975	$302,232	143	$2114.00
1975-1976	$303,856	109	$2787.00
1976-1977	$322,000	175	$1840.00

HIGH SCHOOL EQUIVALENCY PROGRAM
(HEP)

THE HIGH SCHOOL EQUIVALENCY PROGRAM IS A SISTER PROGRAM TO THE COLLEGE ASSISTANCE MIGRANT PROGRAM. IT IS DESIGNED TO HELP THE MIGRANT AND SEASONAL FARMWORKER YOUTH WHO HAS DROPPED OUT OF SCHOOL COMPLETE HIS GENERAL EDUCATION DEVELOPMENT EXAMINATIONS (GED) AND PREPARE FOR FURTHER EDUCATIONAL AND/OR PROFESSIONAL TRAINING. LIKE CAMP, HEP IS A RESIDENTIAL EDUCATIONAL PROGRAM FOR MIGRANT AND SEASONAL FARMWORKER YOUTH. PROGRAM PARTICIPANTS STUDY MATH, SCIENCE, GRAMMAR, LITERATURE, SOCIAL STUDIES, CAREER EDUCATION AND ELECTIVES. THEY ARE HOUSED AND ATTEND CLASSES IN A CAMPUS FACILITY AND, FOR PARTICIPATING SATISFACTORILY CAN EARN A WEEKLY STIPEND. HEP STUDENTS ARE EXPOSED TO THE UNIVERSITY ENVIRONMENT AND TO UNIVERSITY STUDENTS WHO TUTOR THEM; THEY EXPERIENCE LIVING ON THEIR OWN AND AWAY FROM HOME; THEY ACHIEVE A HIGH LEVEL OF SUCCESS IN EDUCATION AND ARE EXPOSED TO MANY DIFFERENT IDEAS AND OPPORTUNITIES THAT ARE AVAILABLE TO THEM. SINCE THE AVERAGE LENGTH OF STAY IN HEP IS THREE MONTHS PER GRADUATE, STUDENTS ARE ACCEPTED CONTINUOUSLY FROM SEPTEMBER TO MAY. HEP PARTICIPANTS ARE GIVEN AT NO COST TO THEM:

1. TRAINING LEADING TO THE COMPLETION OF SECONDARY EDUCATION.
2. PLACEMENT IN A JOB, JOB TRAINING PROGRAM, POSTSECONDARY EDUCATION OR MILITARY.
3. EDUCATIONAL AND CAREER COMPETENCY TRAINING.
4. BUS FARE TO AND FROM THE PROJECT SITE.
5. ROOM AND BOARD.
6. MEDICAL CARE.
7. PRIVILEGES OF A REGULAR UNIVERSITY STUDENT.
8. A PROGRAM OF EXTRA-CURRICULAR ACTIVITIES.

9. A WEEKLY STIPEND IS EARNED FOR SATISFACTORY PARTICIPATION.

SUCCESS RATES

ALTHOUGH THE TASK OF THE HEP PROGRAM IS A DIFFICULT ONE, THE 1977 STUDY DONE BY THE HEP/CAMP PROGRAMS INDICATES THAT THE PROGRAMS HAVE FAR SURPASSED DEPARTMENT OF LABOR PERFORMANCE STANDARDS, AND HAVE CONTINUED TO IMPROVE EACH YEAR:

JUNE 27, 1974 VS. JUNE 27, 1975 VS. AUGUST 31, 1976

	1973-1974	1974-1975	%	1975-1976*	%	OVERALL
TOTAL STUDENTS ENROLLED	2127	2548	+19.8%	2278	-10.6%	+7.1%
TOTAL GED GRADUATES	1156	1525	+31.9%	1524	0.0%	+31.9%
TOTAL STUDENTS PLACED	943	1443	+53.0%	1698	15.0%	+80.1%

*A CERTAIN AMOUNT OF THE DROP IN 1975-1976 FIGURES MAY BE ATTRIBUTED TO THE FACT THAT TWO PROGRAMS, LAMAR AND SOUTH CAROLINA, WERE DISCONTINUED DURING THIS PROGRAM YEAR AND NO NEW PROGRAMS WERE ADDED.

COST EFFECTIVENESS

A STUDY DONE BY THE HEP/CAMP PROGRAMS IN 1976 INDICATED THAT THE COST PER-PARTICIPANT DECREASED 44% IN THE FIRST THREE YEARS OF THE PROGRAM ALTHOUGH THE SUCCESS RATES OF THE STUDENTS INCREASED EACH YEAR.

NATIONAL UNIT COST PER PARTICIPANT

73-74	74-75	%incr. %decr.( )
$1693	$1432	(15%)

NATIONAL UNIT COST PER GRADUATE

73-74	74-75	%incr. %decr.( )
$2999	$2224	(26%)

NATIONAL UNIT COST PER PLACEMENT

73-74	74-75	%incr. %decr.( )
$3539	$1985	(44%)

Total annual program expenditures for all HEP Projects

	'70-'71	%incr. % decr.()	'71-'72	%incr. %decr.()	'72-'73	%incr. %decr.()	'73-'74	%incr. %decr.()	'74-75
WASH	237,468	9%	259,097	(5%)	245,156	19%	292,743	(9%)	267,556
MIAMI	268,999	(2%)	262,700	(1%)	259,760	3%	266,274	9%	289,284
CAL POLY	261,153	(5%)	248,617	2%	252,986	(5%)	241,549	8%	259,893
WIS					264,259	(2%)	260,000	9%	279,000
COL			251,130	(51%)	123,832	11%	137,400	19%	163,000
UP	258,798	2%	263,960	9%	288,754	(3%)	281,618	(12%)	247,210
UTEP					246,170	(5%)	234,111	8%	253,309
ENMU					76,755	134%	179,961	(15%)	152,601
NEB	297,376	(4%)	286,202	(6%)	268,471	5%	281,750	.09%	282,000
PA	233,728	11%	260,342	(.1%)	260,000	10%	286,000	(0)	286,000
OREGON	245,770	(7%)	238,987	11%	264,499	(6%)	249,815	7%	267,637
HOUSTON	232,567	(1%)	229,841	8%	249,141	28%	319,024	(30%)	222,385
PUERTO RICO					220,000	6%	233,000	9%	255,000

* Percentage increase of annual program expenditures:
'70-'71 - '74-'75 - 30.9%

** Cost of living increases:
'70-'71 - '74-'75 - 40.7%

* Comparison of programs in existence '70-'71 and those same programs '74-'75.

** According to the Monthly Labor Review.

REASONS FOR SUCCESS

THE FOLLOWING ARE REASONS WHICH ACCOUNT FOR THE OUTSTANDING SUCCESS OF THE HEP AND CAMP PROGRAMS:

1. THE PROGRAMS HAVE REMAINED NATIONAL IN FOCUS. THEREFORE, THEY HAVE BEEN ABLE TO RESPOND TO THE SPECIAL CONCERNS AND PROBLEMS OF THE MIGRANT.
2. THE COMPREHENSIVE NATURE AND STRUCTURE OF THE PROGRAMS HAS PROVEN ITSELF IN ASSISTING THE MIGRANT AND SEASONAL FARMWORKER TO MASTER AND SURVIVE IN THE VAST SOPHISTICATION OF UNIVERSITY SYSTEMS. GENERALLY, STUDENTS FROM RURAL AREAS ARE UNFAMILIAR WITH SYSTEMS AND SERVICES AND ARE UNABLE TO SEEK THEM OUT IN TIME TO ASSIST THEM. THEY NEED A COMPREHENSIVE SUPPORTIVE SYSTEM UNTIL THEY MASTER THE NECESSARY COMPETENCIES FOR POSTSECONDARY SURVIVAL.

STATISTICAL [illegible]IGHTS

CAMP

1) AT LEAST 83% OF THE MIGRANT STUDENTS IN THE CAMP PROGRAM COMPLETE THEIR FIRST YEAR OF COLLEGE SUCCESSFULLY.
2) CAMP STUDENTS ACHIEVE A C+ (2.4) COLLEGE GRADE POINT AVERAGE. THIS MATCHES OR SURPASSES MOST COLLEGE FRESHMEN.
3) NINETY-EIGHT PERCENT (98%) OF THE STUDENTS WHO HAVE GRADUATED FROM THE CAMP PROGRAM ARE EITHER CONTINUING THEIR EDUCATION OR ARE GAINFULLY EMPLOYED.
4) NO CAMP STUDENT WHO HAS SUCCESSFULLY COMPLETED THE PROGRAM HAS RETURNED TO MIGRANT LABOR AS THE CHIEF SOURCE OF INCOME.

HEP

1) ALTHOUGH INFLATIONARY COSTS HAVE INCREASED 40% SINCE THE FOUNDING OF THE HEP PROGRAMS IN 1971, THE NATIONAL UNIT COST PER PARTICIPANT, PER GRADUATE AND PER PLACEMENT HAVE DECREASED 15%, 26% AND 44% RESPECTIVELY.
2) NINETY-TWO PERCENT (92%) OF HEP PARTICIPANTS ARE SUCCESSFULLY PLACED IN EMPLOYMENT, TRAINING OR POSTSECONDARY EDUCATION.
3) SIXTY PERCENT (60%) OF HEP STUDENTS SUCCESSFULLY GRADUATE WITH A GED.
4) ALTHOUGH THE PERFORMANCE STANDARD INDICATES THAT EACH HEP PROGRAM SHALL ACHIEVE A MINIMUM OF 105 GRADUATE POINTS, HEP PROGRAMS HAVE ACHIEVED AN AVERAGE OF 132.8 GRADUATE POINTS.

RECOMMENDATIONS

THE RECOMMENDATIONS PRESENTED TO THIS COMMITTEE BY THE NATIONAL ASSOCIATION OF HIGH SCHOOL EQUIVALENCY PROGRAMS (HEP) AND COLLEGE ASSISTANCE MIGRANT PROGRAMS (CAMP) INVOLVE THE FOLLOWING ITEMS:

1. SEPARATE AUTHORIZATION FOR HEP/CAMP UNDER TRIO LEGISLATION TO ESTABLISH A MIGRANT DIVISION OF TRIO FOR MIGRANT HIGH SCHOOL DROP OUTS AND FIRST YEAR COLLEGE STUDENTS. THIS DIVISION WOULD NEED THE FOLLOWING CHARACTERISTICS:
    - A) NATIONAL IN ADMINISTRATION AND IN-PROGRAM SCOPE
    - B) EDUCATIONAL IN FOCUS
    - C) TARGETED ON MIGRANTS AND SEASONAL FARMWORKERS
    - D) ENCOMPASS BOTH CAMP AND HEP
    - E) MULTI-YEAR FUNDING
2. EXPANSION OF THE PROGRAMS TO SERVE NATIONAL NEEDS OF MIGRANTS

    INCREASE OF HEP AND CAMP (50 PROGRAMS) IN UNDER-REPRESENTED AREAS (EAST AND WEST COAST), AT $20,000,000.

3. FLEXIBILITY TO INNOVATE PROGRAM DESIGN TO IMPROVE SERVICES.
4. BETTER TECHNICAL ASSISTANCE AND OPPORTUNITIES TO SHARE EXPERIENCE AND COMPETENCIES AMONG HEP/CAMP PROGRAMS AND WITH OTHER TRIO PROGRAMS.
5. AT LEAST THE SAME LEVEL OF FUNDING FOR EACH PROGRAM AND THE MAINTENANCE OF EXISTING PROGRAMS.
6. PRESERVATION OF BASIC PROGRAM DESIGN AND SERVICES.
7. SEPARATE NATIONAL OFFICE UNDER TRIO TO ADMINISTER PROGRAMS.
8. OE IN-HOUSE LINKAGE BETWEEN ESEA TITLE 1 PROGRAMS, HEP/CAMP AND TRIO.

THANK YOU FOR YOUR KIND ATTENTION TO THIS MATTER.

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THE WEATHER

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'Impossible Dream': Migrants in College

By BECKY COPELAND

AUSTIN, TEX.

JUAN GARCIA will probably spend his Easter break stooped over in the dusty fields of South Texas, picking the spring crop of bell peppers alongside his parents for a wage of $2.65 an hour. But Mr. Garcia is an anomaly among migrants.

Unlike about 80 percent of migrant children in the state, he not only finished high school but, with the aid of the Federal Government, he is well on his way toward that impossible dream: a college degree.

Like many of the estimated 200,000 to 300,000 schoolage migrant children in Texas, Mr. Garcia grew up following the crops, from cauliflower and cabbage in the Rio Grande Valley to beets and potatoes in Indiana and onions in Wisconsin.

Estimates of the national migrant farm-worker population range from 200,000, a Department of Agriculture figure based on a national sample conducted by the Bureau of the Census, to six million, a figure issued by the Office of Economic Opportunity in 1973. The Rio Grande Valley is the base for the largest migrant stream in the United States, and, like Mr. Garcia, most of those in the stream are Mexican-American.

For most migrants, trapped in a cycle of poverty, education must be sacrificed for their family's economic survival. Mr. Garcia, though, was fortunate enough to be accepted into St. Edward's, a small Roman Catholic private liberal-arts college where he is now a junior majoring in business. He entered under a federally assisted program created in 1972 especially for migrant students.

The program, known as CAMP (College Assistance Migrant Program), provides a full year of tuition and living expenses for more than 100 migrant students annually at a cost of about $3,200 a student. The cost is shared by the United States Department of Labor, which provides 35 percent of the program's funds; the college itself, which supplies about 10 percent, and traditional aid funds such as the Basic Education Opportunity Grant and the Special Education Opportunity Grant.

Similar programs are operating at Pan American University in Edinburgh, Tex., and at Adams State College in Alamosa, Colo. A CAMP program at San Diego State University in California closed last year.

Admission to the program at St. Edward's is not based on standardized test scores, but a student must have high-school certification. Motivation, maturity and academic potential are the key criteria for acceptance. For migrant students, who traditionally trail as much as three years behind middle-class white students, high-school graduation is considered ample proof of motivation.

Fewer than 20 percent of the migrant children in Texas who begin high school graduate. A sample of migrant students in the state showed that male children who made it through elementary school typically dropped out of school by the middle of the ninth grade. Girls dropped out by the 10th grade.

CAMP students also must meet Federal Government poverty guidelines, and at least half of their family's income for the last 18 months must have come from seasonal farm labor. The average family income of students who enter CAMP is about $4,000, so the students easily meet the guidelines.

The small CAMP staff, many of whom grew up as migrants, examines the students' Scholastic Aptitude Test scores, not to find out what the student failed to learn but rather to determine what the student was not taught. Inherent in the program is the recognition that many of the students are underprepared for college and have had unsuccessful academic experiences in the past.

CAMP offers peer counseling, tutoring and a special two-week orientation session before classes begin in the fall. Students learn study skills and attend catch-up classes in academic areas in which they may be deficient. The student-staff ratios are reduced from the normal 22-to-1 at St. Edward's to 13-to-1 for CAMP students.

Staff members feel that this support

The New York Times/[illegible]

At St. Edward's College, [illegible] Hernandez, a student in federally assisted CAMP program for migrants, studies in a tutoring room.

system is largely responsible for what they regard as the success of the program. By [illegible], one of the most successful years of the program, [illegible] percent of the freshmen who entered CAMP finished their freshman year and maintained over a 2.0 grade-point average on a 4.0 scale. Sixty percent of the students who finished their freshman year graduated from St. Edward's, according to Dr. F. Eugene Binder, who founded the local program.

Last May, 42 students who began as freshmen in the CAMP program graduated from St. Edward's. After their freshman year, the students are eligible for another program known as HEMP (Higher Education Migrant Program), which provides the students with jobs. Grants, work-study money and loans are also available.

This May, a St. Edward's CAMP graduate is expected to receive his doctorate from Notre Dame University.

The program was not as successful initially. Thirty-four of the 72 CAMP students who enrolled in 1972 dropped out. Out of these 34, 20 eventually earned degrees, 12 from St. Edward's.

Last year, almost 80 percent of the 114 students in CAMP completed their first year, which means that they maintained at least a 2.0 grade-point average while taking an average of 12 hours a semester.

CAMP students are strictly monitored during their first semester in the program. They must live on campus, attend five hours of tutoring a week, meet twice a week with counselors and sign contracts governing class attendance.

They receive $[illegible] a month for expenses, but must submit vouchers itemizing the expenses to get the money. Students complain that the vouchers are unnecessary because $[illegible] doesn't stretch very far.

Chances appear slim that the program's funds and the students' expense money will be increased. In fact, the program has faced an uncertain financial future for several years because of what appears to be a philosophical difference between the Department of Labor and the defunct Office of Employment Opportunity, in which the CAMP program originated.

According to Dr. Binder, officials of the Department of Labor think that the CAMP program is not cost-effective and question whether migrants would not be better served by job programs rather than two semesters of college.

Although the cost for each student is roughly $[illegible] at St. Edward's, Dr. Binder points out that CAMP actually costs the Federal agency about $[illegible] a student because the university has found new financing sources and provided $[illegible] to $[illegible] of its own money.

There were problems on the campus when the CAMP students, the majority of whom are Mexican-American, first arrived. But now staff members and administrators generally agree that the traditional St. Edward's students, mostly middle-class whites, and the migrants have developed what one administrator calls "a mutual toleration in a very positive sense." This year a former CAMP student is a president of the student body.

Faculty members and alumni were initially concerned that admitting underprepared students to the university would dilute academic standards. According to Dr. Binder, however, CAMP students are maintaining grade-point averages equivalent to those of non-CAMP students.

Should Federal funds for the CAMP program be cut, St. Edward's is prepared to continue serving the migrant students, even if the program has to be modified, said Brother Stephen Walsh, president of the school.

"Our commitment to serve adults, minorities and migrants is more than a survival tactic," Brother Walsh said. "We are historically a Catholic institution and our basic commitment is to make the Gospel real. When asked the question 'Who will teach the poor and dispossessed?' we are willing to say, 'We will.'" ■

Becky Copeland, based in Houston, writes frequently for The Times.

Mr. FORD. You may proceed to add to your statement, supplement, or comment on those statements as you please.

If I were you, I would let Jackie go first, and try to get the last word.

STATEMENT OF JACQUELINE HARDY, EXECUTIVE DIRECTOR, COLLEGE ASSISTANCE MIGRANT PROGRAM, ST. EDWARD'S UNIVERSITY, AUSTIN, TEX.

Ms. HARDY. Mr. Chairman and members of the committee, I am Jackie Hardy, executive director of the College Assistance Migrant Program at St. Edward's University in Austin, Tex.

I am testifying today on behalf of the National Association of HEP/CAMP Directors which represents fourteen High School Equivalency programs and three College Assistance Migrant Programs across the country.

Before I continue, I would like to say that I have worked in cooperation with the educational opportunity programs [TRIO programs), and I would like to thank them for their assistance in coordinating HEP and CAMP into the total picture of education for the disadvantaged. We are sisters and brothers in this family. HEP and CAMP do not want to present ourselves as competitors to the other wonderful efforts that are being made, but we do feel that migrants and seasonal farmworkers are a special group with unique needs. Our programs are tailored to meet these needs.

HEP and CAMP programs have provided outstanding educational and economic results for the migrant and seasonal farmworker youth they serve on the postsecondary level. Much of this success is due to the continued efforts of your committee and the leadership of Congressman William Ford.

It is our hope that through your support, the task of providing alternative professional careers for migrant and seasonal farmworker youth through postsecondary education will be continued and expanded.

There are presently three CAMP programs in the country at this time. They are located at Adam's State College, Alamosa, Colo.; Pan American University, Edinburg, Tex.; and St. Edward's University, Austin, Tex.

A CAMP program previously existed at San Diego State College in San Diego, Calif. Unfortunately, it was defunded by the Department of Labor last year. Efforts to move the project to another host institution in California to service those farmworker youth in postsecondary education were rejected by the Department of Labor. Hopefully, we shall be able to expand HEP/CAMP programs in the future.

Basically, CAMP serves the nontraditional migrant student. We provide tuition and living expenses as well as all of the supportive services for qualified students of farmworker background during their first year of college.

Through the agreement with the host universities, we have the institution guarantee that any students who enter through our program will be provided with financial aid for the remaining 3 years of their college career, so that any students who enter will be guaranteed financial aid.

Some of this aid is in the form of self-help such as work-study after students can get on their feet, and really show that they can achieve academically. Some of this help is in the form of loans, et cetera, but much of it is in the form of a grant. At St. Edward's, we try not to have more than a total of $4,000 in loans at the end of 4 years, because migrant students cannot afford to pay that much back, coming from their financial situation and having so many family members.

During the first year of their college career, CAMP students are provided assistance in recruitment from rural areas; summer enrichment program of study skills; financial aid covering tuition fees, room and board; curriculum advising and career planning; tutorial assistance and student-to-student advising; counseling; summer employment opportunities; and faculty and administration liaison.

The CAMP programs have demonstrated their excellence in areas of student retention, academic achievement, overall impact and cost effectiveness since the migrant seasonal farmworker participants match or surpass the achievement of the non-CAMP student.

The following statistics from the St. Edward's University CAMP demonstrate CAMP program performance in the areas of retention, academic achievement, student impact and cost effectiveness.

Although we are not funded for this purpose, HEP/CAMP programs attempt, on their own, to keep as many statistics as possible. As you can see, during the first year we were a little bit weak. We were getting the systems going. We had a 54-percent retention rate, meaning that 54 percent made it through the first year. Then we had an 83-percent retention rate in 1973–74; 89 percent in 1974–75; 90 percent in 1975–76; 92 percent in 1976–77; and last year, we hit 95 percent. The overall retention average from 1972–77 is 86 percent, which is an excellent statistic. Considering the fact that fewer than 20 percent of the migrants graduate we feel that this is an outstanding turnaround.

In terms of academic achievement, we have got some really nice statistics from the St. Edward's CAMP program. You can see on page 3 of my statement that in 1972–73, the average grade point average was 1.94, and the average credit hours earned per semester: 11.36. Again, this is kind of a "yucky" statistic. We had not really started up the systems. It went up to 2.5 (a B minus average), which is comparable to the regular college students at the private universities, or whatever. In general other CAMPs have the same type of statistics.

The general statistics from the 1977 HEP/CAMP Transition Report show that the results have improved consistently in all CAMP programs. The enrollment from 1972 to 1975 increased from 333 to 461. In 1975–1976, all three CAMP programs combined had an 88-percent retention rate and a GPA rate of 2.37 in the statistical analysis.

In 1975, the CAMP programs did their own followup study. We tried to track down every student who had ever been in a CAMP program, or dropped out of a CAMP program. We got very nice statistics on that which showed amazing results. Since that 1975 study, I have done some more studying. I have traced all 700, or

800 students that have been in the CAMP Program at St. Edward's. I have not quite finalized those statistics, but they are much better than the 1975 statistics.

The statistics taken from the 1975 transition report show that the postsecondary opportunity which the programs provide definitely enables the farmworker students to succeed in alternative careers and career training. Since the study, at least 250 students have graduated with a 4-year college degree. At least 20 percent are currently pursuing higher degrees in law, medicine, business and other fields. In fact, one of the first graduates from St. Edward's University will be receiving his doctorate in economics from the University of Notre Dame this year.

At this point, the CAMP programs need some better connections in order to get our students into really good schools once they get a 4-year college degree. It is kind of hard if one has to hustle on both ends. We hope that eventually we will get a nice, solid graduate school link for the careers that really need people, especially the underrepresented minorities.

Now, in our followup report in 1975, you can see that we had very good statistics. Of the CAMP graduates, we found that 601 of them, which is around 70 percent, were still in college, or in some type of training after their second, third, or fourth year out. Only 2 percent were unemployed; and 17 we had not found. The rest were employed, or in some college or university. As to the dropouts, those who did not complete one year, we found that we even did a turnaround with them, not as good a turnaround, but 25 had returned to college, or some kind of training.

The other ones were employed at semilucrative fields. Only 14, we found, were unemployed: and 47 drifted away. It was hard to keep track of the early dropouts, since it is hard to trace migrant farmworkers once they have left.

We checked to see who, if any, of our dropouts, or any graduates, had returned to migrant farmwork as their chief source of income, since our job was, really, providing alternative training to students. We found that only five out of the 940 graduates had returned, and that was around Alamosa, Colo., because it is a depressed area, and they could not get the funds to get out. So that is less than 1 percent, virtually, of the known persons of whom we have evidence who have returned to migrant farmwork as the chief source of income.

Even with respect to the dropouts, we only found 15 who went back to the fields as their chief source of income once they had seen that there was a different way of doing things, and that there were other alternatives available to them.

On page 5 of the written testimony are figures indicating cost effectiveness: not only have the College Assistance Migrant Programs evidenced academic and professional success, but they have also maintained excellent efficiency.

The cost effectiveness figures include all costs for one year—totally everything from the time we find them, or bring them into the university to the time they leave at the end of the first year. As to St. Edward's, which is a private school, we have gotten it down, in terms of the Department of Labor grant, to about $1,800 per student. That is a pretty good record, you know.

This includes the total grant: overhead, administrative cost, paper, supplies, and whatever. We just divided the total grant by students, and that is what we came out with in terms of figures. We are trying to get it down to a bare minimum. Only 20 percent of the grant is administrative. Everything else is direct service to the student.

The High School Equivalency Program is a sister program to the College Assistance Migrant Program. Information regarding these programs is on page six of the written testimony.

These programs are designed to help the migrant and seasonal farmworker youth who has dropped out of school to complete his general education development examinations, GED, and prepare for further educational and/or professional training.

Like CAMP, HEP is a residential educational program for migrant and seasonal farmworker youth. Program participants study math, science, grammar, literature, social studies, career education and electives. We emphasis postsecondary education, or some kind of higher professional, educational and career competency training.

They are housed, and attend classes in a campus facility and, for participating satisfactorily, can earn a weekly stipend.

HEP students are exposed to the university environment and to university students who tutor them, and they experience living on their own away from home in a more professional kind of an atmosphere. They achieve a high level of success in education, and are exposed to many different ideas and opportunities that are available to them.

Since the average length of stay in HEP is three months per graduate, students are accepted continuously from September to May. They are given training leading to the completion of secondary education; placement in a job, or a job training program. HEP programs provide bus fare to and from the project site; room and board; medical care; the privileges of a regular university student; a program of extra-curricular activities. A weekly stipend is earned for satisfactory participation.

The HEP program is a very difficult one, much harder, actually, than the CAMP because we are talking about the migrant seasonal farmworker who has dropped out of high school and experienced a series of failures. There is an 80 percent dropout rate of migrants from high school. By completing the GED in a HEP program on a college campus, they can be inspired to higher kinds of education and careers.

The HEP programs have also improved in all of their statistics from 1973 through 1976. You can see that the enrollment of the students from 1973 to 1976 has improved seven percent. The GED graduates are up 31 percent, and the placement of students in education or in a job is up 80 percent.

Of course, we got a few programs knocked off during the last few years, especially on the east coast, and the Department of Labor refused to do any expansion. That is why some of these enrollment statistics have dropped. The cost per participant has decreased 44 percent in the first 3 years of the program although the success rates of the enrollment of students have increased. So they are working on that, but that is a hard job. We have a long way to go.

We have not had time to really improve that program as much as we would like. HEP is a terrific program with a very difficult task.

Why are the HEP/CAMP programs a success? First of all, our programs, through the help of Congress, have remained national in focus. Therefore, we have been able to respond to the special concerns and problems of the migrant.

Second, and this is most important in terms of the structure, the comprehensive nature and structure of the programs has proven itself in assisting the migrant and seasonal farmworker to master and survive in the vast sophistication of university systems.

Generally, students from rural areas are unfamiliar with systems and services, and are unable to seek them out in time for them to be of assistance. So they do need a comprehensive supportive system until they master the necessary competencies for post-secondary survival.

We bring them in, and give them the "one-two," you know, intensive training. Then they are on their own for the next 3 years. Without the intensive training, however, they drop out.

Statistical highlights: At least 83 percent of the migrant students in the CAMP program complete their first year of college successfully across the board. Ninety-eight percent of the students who have graduated from the CAMP program are either continuing their education, or are gainfully employed. CAMP students achieve a B−, 2.5 college grade point average, which equals or surpasses most college freshmen. I noted earlier what other more advanced students can do at St. Edward's University. We know of virtually no student who has successfully completed the program who has returned to migrant labor as the chief source of income.

With respect to HEP, although inflationary costs have gone up 40 percent since the founding of the HEP programs in 1971, the national unit cost per participant, per graduate and per placement have decreased 15 percent, 26 percent and 44 percent respectively . . . each year. And 92 percent of the HEP participants are successfully placed in employment, training or postsecondary education.

Sixty percent of the HEP students successfully graduate with a GED. There is a real problem for some students who are third and fourth grade level readers. I will tell you that the HEP program has not only matched but surpassed the DOL requirements.

Our recommendation to be presented before this committee is that it would be better for us to go over to HEW or the Office of Education instead of staying with DOL if we could be both protected and supported. We would like a separate authorization for HEP/CAMP under TRIO legislation to establish a migrant division of TRIO for migrant high school dropouts and first year college students. In this separate division, we would need the following characteristics:

First, it would have to be national in administration and in program scope. Going to the State, or going through the State would be very difficult for us because we recruit from all over the Nation because our students travel. Second, this division would have to be migrant in focus and targeted to the migrant seasonal farmworker. We want to recruit the rural migrant farmworkers and focus on that. It is a real hard job. If you get too spread out, you just cannot do it because of the difficulties inherent in recruiting from rural areas. Third, the structure must encompass both HEP and CAMP because we want to work more closely and have more of a bridge system between the two programs. Fourth, we would prefer to have maybe two or three year funding cycles to get our systems shaped up, if possible, because it is really hard to improve in a one year setting. Fifth, We would like to expand. The east coast does not have anything. The west coast is getting knocked off.

So we are saying there should be an increase of HEP and CAMP programs . . . 50 programs . . . in the underrepresented areas at $20 million. That is a ballpark figure in terms of, really, HEP and CAMP projects all over the country.

In serving migrants in these programs, maybe in ten years, we will get them all educated, and then we will not need the programs any more.

Sixth, HEP/CAMP needs the flexibility to innovate program design to improve services. That means that in the HEP/CAMP transition, we would like better technical assistance, to be able to share experiences and competencies among the HEP/CAMP programs and with other TRIO programs. Opportunities to share experience and competencies would be fruitful to us.

Seventh, we would like to have at least the same level of funding for each program, and the maintenance of existing programs. Again, we do not want to cut into funding for existing TRIO programs. There is too little for the disadvantaged people already, so we do not want any competition with TRIO Funding. We would prefer our funds to be a separate, additional appropriation.

Eighth, we need the preservation of basic program design and services: do not split up these services and assign them to different programs. You need it all together, and you need it to be intensive and comprehensive. Without this comprehensiveness, you are going to get dropouts. And then the 98 percent retention rate will drop to 30 percent.

Ninth, we would like a separate national office under TRIO to administer programs. We would like a separate section devoted to migrant concerns because of the special problems of this population.

Tenth, we would like OE in-house linkage between ESEA title I programs, HEP/CAMP and TRIO. We would like to link our title I migrant programs, especially with HEP/CAMP. We would like some kind of linkage so that we would not waste any time nor energy in getting a student's record transferred. We need a good transfer system for getting those people into CAMP if they have dropped out. We love a graduate. We love to have college graduates. That is something that is really a high level kind of thing and all of these things will help us to get them. [Laughter.]

Ms. Hardy. Roy is going to tell you about the needs for a HEP/CAMP office because NEA has defended us a lot, and has been one of our greatest supports.

STATEMENT OF ROY FUENTES, MANAGER FOR MIGRANT EDUCATION, NATIONAL EDUCATION ASSOCIATION WASHINGTON, D.C.

Mr. FUENTES. Mr. Chairman, and members of the committee, I am Roy Fuentes, manager of the Migrant Education Program for the National Education Association, which represents approximately 1.8 million teaching members.

I feel like I have been in an endless war. I had been with NEA one month, in 1975, when NEA learned that the Department of Labor wanted to defund/eliminate the High School Equivalency Program (HEP) and the College Assistance Migrant Program (CAMP). NEA thanks you personally, Mr. Chairman and other Congressmen and Senators for supporting HEP and CAMP. We are most appreciative of your staff, particularly Pat Rissler, in coordinating the congressional endorsement which assured continued funding for HEP and CAMP.

The NEA review, study and direct involvement in migrant education programs has reached one critical conclusion: What is needed—What has been missing in education for migrant workers—is educational continuity. Educational continuity for all migrants has become a primary goal for the National Education Association. We will not rest until this great Nation of ours achieves this continuity for every migrant. By educational continuity NEA means: 1. Geographic—between school districts and states, which the MSRTS is beginning to achieve. 2. Academic—between grade levels, preschool through postsecondary education.

Chairman Ford, NEA realizes that we are addressing these critical issues before the nation's most knowledgeable and influential expert on migrant education.

Our statements are not discovery in nature, rather in support of you and your committee's work to achieve quality and equality for migrant workers in American education. We are in support for the vast upgrading of two deplorable facts that are hideous representatives of a host of impediments to the realization of the human potential. One, 5.3 average grade attainment among migrant workers. Two, less than 10 percent graduation from high school among migrants.

We must change our thinking toward the education of migrants—which goes something like this:

One, to influence children really in their educational experience. Excellent, but too often it stops there, and may not even achieve the current 5.3 average grade attainment without special programs.

Two, that the economic needs of the migrant family is a greater force than education in the lives of older migrant youths.

Three, that because of the family's economic need migrants have no interests, nor are they prepared for higher educational achievement.

Mr. Chairman, we commend Congress for authorizing programs to improve migrant children's education, through amendments to the Elementary and Secondary Education Act of 1965.

Those were historical first steps in bringing migrant workers into the American mainstream. I know, that as you and members of your committee consider the amendments to the Higher Education Act, that you will be conscious of the importance of your deliberations on migrant workers.

I pray that in the years to come that we all will look back on this time and say—these were the historical actions and amendments that helped bring migrant families a little closer to full participation in American education.

The High School Equivalency Program (HEP), the College Assistance Migrant Program (CAMP) and the Portable Assisted Study Sequence (PASS) are lonely but hopeful voices in an educational wasteland.

These exemplary programs, along with the California Mini Corps—a teacher and health training program—sustain a quality to create the link between high school and college. These programs, and other migrant amendments to the Higher Education Act, together with ESEA—Title I—migrant will help preserve the educational continuity that we believe is so imperative for migrant worker education. It is fundamental that educational needs of the migrant worker not be fragmented, and that Congress, the institutions of higher learning, and the secondary schools work cooperatively to provide the necessary linkage between secondary and postsecondary programs.

Educational continuity was NEA's primary motive in urging that HEP and CAMP be transferred from the Department of Labor to the Office of Education.

We believe that our recommendation on the transfer of these programs remains appropriate, timely and urgent.

As a result of the unique and complex problems created by excessive mobility and rural isolation, the NEA urges Congress to enact a separate subpart 5 to title IV of the Higher Education Act, entitled Subpart 5—Special Program for Students from Migrant Agricultural Backgrounds. This addition should direct the Commissioner of Education to establish programs such as the College Assistance Migrant Program (CAMP), the High School Equivalency Program (HEP), the Portable Assisted Sequence (PASS), and others aimed at identifying, recruiting, and providing quality education and comprehensive services for migrant students in secondary and post-secondary education.

We also recommend the authorization and appropriation—until such time as an equitable funding formula is established—of $20 million in each of the fiscal years 1980, 1981, and 1982. The funds should enable maintenance and/or establishment of existing secondary and postsecondary migrant programs, as well as new ones in areas where seasonal farm workers are not now served by them. We also urge the funding of institutions that would plan, develop, and carry out services to migrants who possess academic potential, but who are limited by their mobility and rural isolation, as well as economic reasons.

The Commissioner should also be directed to give priority consideration to consortium applications from higher education institutions as well as local education agencies with migrant programs. Necessary assurances by the institutions—such as promising to maintain a full-time Migrant Affairs Office to publicize and provide the services we have described—should be made part of the applications.

The NEA also recommends that in meeting the challenge of designing programs to meet the needs of a highly mobile population, Congress establish an administrative unit for migrant higher education programs. This should be done by adding a new section 111 under part A, title I of the Higher Education Act of 1965. The new section, to be entitled "Administration of Special Programs and Projects Relating to Migrant Agricultural Workers", would call upon the Commissioner of Education to establish such a unit to administer all migrant provisions in the different titles under the Higher Education Act. The unit would make grants based on congressional funding through fiscal year 1982 to institutions of higher learning for planning and putting into effect migrant higher education programs. The migrant unit would be responsible for intrastate and interstate coordination of programs and academic credit accruals for migrant students. The Commissioner would also be directed to establish a funding formula that allows money to follow a student from one location or institution to another, within or between States.

Mr. Chairman and members of the subcommittee, the National Education Association, in closing, wishes to make known our support for your attention to this question. As NEA President Ryor testified before the House Education and Labor Committee in September, 1977, migrant education has made a good start under the Elementary and Secondary Education Act and its amendments in trying to change the practice of exclusion that for too long created a society outside our traditional and legal structure in America. Men and women of vision in both major political parties contributed to this great effort, however unfinished. Now, justice and fair play, as well as the enrichment of ourselves, call upon Congress to complete the job by adopting the changes we have recommended.

Mr. FORD. Thank you very much. Thank you also for the tremendous amount of effort that, particularly, you two people as the lead representatives in terms of people who have worked to keep these very small programs alive, have made.

Some day we are going to write "The Perils of Pauline," the story of how this little piece of poverty program has managed to keep floating over all of these years, and which has been attacked, for a very small program, by an unlimited number of experts who, from time to time, thought that because it was so small, we ought to get rid of it.

I wish that we could acquaint the Congress with the way it has been working to the point where we would be talking about a substantial increase in the money spent for the goals that the program tries to achieve.

We are not at all proud of the fact that our financial support had dwindled and dwindled over the years, but we are proud of the fact that we have a model here that shows that you can work with really any kind of disadvantaged and handicapped student if you want to concentrate on it, and really go after it. If we could put that kind of commitment, a broad base behind the students that is put behind the individuals who have been fortunate enough to participate in this program, we probably could show some measurable results that the American taxpayers would understand.

I would like to ask you, with respect to the migrant student record transfer center, do they now cooperate with the HEP/CAMP schools and advise you of the dropout population, and where to find these students?

Ms. HARDY. Yes, on request. We are just starting to work that out with them, but it is going to be a very helpful thing to us. It will show us the dropouts between the 5th and the 12th grade so that the HEP programs can pick them up. They can give us a list of the 12th-graders per State, and we can recruit them for CAMP.

Mr. FORD. I would like to get you down to see what these people in Arkansas have done, John. It is a fascinating operation that they have been running very quietly.

The migrant educational directors around the country have done some things that society would never let us do with any other children. For one thing, we have had them on the computer since 1974, I think. Actually, we have had the computer longer than that, but we had the mandate and the computer since 1974. That became the method of financing.

And when you ask the computer what the reading level of a migrant child is, it does not matter where the child is, what the background is, it tells you. The same thing is done for every child. That is something more than one can do in my State.

We can tell you more about the educational background of the migrant who arrives in my State from Texas or Florida within a couple of days after their arrival than we can tell you about a student that moves from Detroit to an adjoining city by the end of the school year.

And it will tell us not only what their reading levels are, but whether or not they can hear well, if they can see well, and whether or not they have had their polio shots. This is most important.

This is one that is most important, John, the vaccination. These kids have to meet the State laws. Every time they showed up at school, they had no records with them, so the school officials would give them another vaccination. Sometimes they would get vaccinated three or four times a year.

Now, at least, the record transfer center has the necessary information right up in front. As soon as they show up, the record of their vaccination is made available, and they do not go through that.

It is interesting that one of the things that the kids remembered most a few years ago about being migrant students was that as soon as you identify yourself, somebody is going to stick a needle in you.

The record transfer center has become very popular with kids because it has cut that down.

I am very happy to see this testimony put into this record in conjunction with the TRIO programs because we really feel that we have made a lot of promises for concentrated efforts for educationally disadvantaged children in the sixties that have never gotten very close to fulfillment.

The evidence by all three of the panels here today, it seems to me, will make it possible for us to argue for the continuance and, hopefully, set the stage for future enlargement on these programs.

Unlike some of the other things we do in the name of helping educationally deprived children, described in title I as low-income children, where we deal in a kind of vague and broad statistics, and we deal with statistical entities that nobody can identify, we heard identified here this morning a proposal where some specific types of people can be identified, as well as the very direct effect of the contact made by the people being funded with Federal dollars.

It is easy to see, as with everything else, that in education it is always hard to measure what education will do for any one of us when we are through with the experience. Nevertheless, there are clear figures indicating that for that relatively small investment with which we are dealing here in the programs that we discussed today, students who, but for these programs, would be all but totally ignored.

There are few private foundations that have an interest. There are civil rights groups who do some of the things we heard and talked about here today on a very small scale. A lot of well-meaning programs have been at the State level. They do not seem to work unless you have a national focus, and they mainly do not have a constituency unless you have got a national focus because too many of us live in our own neighborhood in our own little part of the State, and are absorbed by our daily experiences and by our daily influences, and rather lack the comprehension of what is going on around the country concerning large numbers of people.

Truly, they are national programs, and truly, they do reflect what ought to be the focus of the Federal Government as to the use of resources.

Politically, I guess you can recognize that it makes a lot more political sense to tell people that you are giving them some money to make it easier to face the taxpayers at the State or local level without asking for additional taxes than it is to focus on programs for people like migrants who do not vote in anybody's political bailiwick.

As soon as they become a political force, they are no longer migrants. So it is obvious, that as long as we call them migrants, who is going to worry about them.

Ms. Hardy. That is right.

Mr. Ford. If we do not cause any trouble, they will go someplace else pretty soon anyhow.

There is a difference in the attitudes at the State level that has been developed primarily because of the resources that the Federal Government has been putting into it.

I might observe, finally, that not only are we having trouble funding these programs and trying to maintain them, but the administration has an ingenious suggestion in the budget—that we put a cap on the existing migrant program for the kindergarten through 12th-grade children and also the handicapped children because they finally have figured out how to develop a Federal Government assistance progam that only pays if you are paying for the education of a theoretical child in Cincinnati, or some other place. But if you have a child in school and that child is handicapped, for every day that child is in school, the program allows consideration. However, a migrant child is a cash-and-carry sort of child with a bounty on his back that says that each day you educate him, you put that back in the computer with his record, and at the end of the year, the computer will pay you day by day for the education. You do not get paid on a theoretical, or statistical basis.

How many of you have known, 35 years ago or 20 years ago, anything about who was actually in school receiving the benefits of the program specifically designed for him.

What has happened is that we found that there are far more handicapped children that were being denied education than anybody dreamed of, and that there were far more migrant children who were being deprived of an education than anybody ever dreamed of and, as a result, it costs money.

Once you find them, if you make a commitment, and we made commitments, and we made assumptions, where you use the figure of 400, or 600, or 5,500 children, there is the computer in Little Rock which will tell you the total number of kids that were served in migrant education programs from the beginning of the programs until last year.

In other words, there are as many educated this year, and yet, there has been no increase in the population. The number of migrant workers is constantly dropping. The number being replaced by automation is constantly increasing, and in spite of this, we are identifying more and more because only recently did they cease to be invisible, and only recently has the Federal Government really noticed them.

There are a handful of States—you can count them on one hand—that ever gave a damn about this problem until there were some Federal dollars involved.

In my own State of Michigan, when the first GAO study and statistics of migrant workers disclosed in what part of my State the heaviest concentration of migrant children could be found, the school officials thought that it would be too much bother to meddle with them, and refused to take Federal money to provide a program. Only through the intervention of the State were we able to force them, on the basis of the laws of our State, and the Constitution that says that every child is entitled to a free public education. It does not say that the child has to be the product of a registered voter. It does not say anything about the occupation of the parents.

But only very recently have we been forced into recognizing that it does not say that every child is entitled to a free public education unless it is inconvenient to educate them, and so because of inconvenience, we did not educate handicapped children, and because of inconvenience and a lack of understanding, we did not educate migrant kids.

Little by little, these Federal programs have started forcing other levels of education and decisionmakers at other levels of the Government to not only do the morally right thing, but to do, in fact, what the Constitution and the laws of their States have required for many years.

Mr. Buchanan.

Mr. BUCHANAN. Thank you, Mr. Chairman.

I would like to associate myself with your remarks pertaining to the contribution of the panelists, and their remarks concerning your leadership in this matter.

I wish to point out that people could be divided into two kinds of people: the people who care, and the people who do not care. Truly, it is my word: divided.

It is truly encouraging and very helpful to have this testimony from people who care, like the people who appeared before us this morning.

Ms. Hardy, would you consider running for President?

[Laughter.]

Mr. **Ford**. I would know of a student body that would nominate her.

Mr. **Buchanan**. I will vote for you.

Ms. **Hardy**. I might.

Mr. **Ford**. I will tell you, John, how effective a lobbyist she is.

Do you notice that one of the things they have on the list that they do for the migrant students is to provide summer employment?

We are going into the third year on this committee of having, during the summer months, a genuine migrant student who works during the summer months with us, and receives credit, as I understand it, from college during that time.

The young fellow we had first when we started this 2 years ago from Eagle Pass, Tex., is now the president of the student body at this college which only a few years ago was a very exclusive and a very expensive boys school for wealthy people. He was succeeded on our staff by a young fellow from Florida, and the last time the staff was able to communicate with him, they told me that he is the president of the student body, and has our second student as an administrative assistant with an office right outside of his. They spent one summer each up here, and they have taken over the whole operation.

Mr. **Buchanan**. We could tell DOL, with their harassment, to put on the voucher to recruit some Congressmen to accept more of their students here.

Ms. **Hardy**. No. [Laughter.]

Mr. **Buchanan**. I think, Ms. Hardy, that we could at least try to clone you for each program.

Mr. **Ford**. Thank you very much.

The committee will stand in recess until the next scheduled hearing.

[Whereupon, at 12:40 p.m., the Subcommittee on Postsecondary Education recessed until the next scheduled hearing.]

[Material submitted for inclusion in the record follows:]

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 24, 1979.

Hon. WILLIAM D. FORD,
Chairman, House Postsecondary Education Subcommittee, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I write to urge the Subcommittee on Postsecondary Education to authorize full funding for the TRIO programs in the amount of $400 million and to extend these programs through fiscal year 1985.

This authorization would allow the provision of services under these programs to approximately 570,000 students, an increase of 110,000 students over the estimated number to be served in fiscal year 1979. Certainly the provision of supportive services is necessary at both the pre-college and college levels if an increased number of low-income students are to be provided an opportunity to achieve the upward mobility afforded by higher education. It cannot be forgotten that today only 22.4 percent of students from families with incomes above $17,000 go on to higher education.

The TRIO programs in Indiana which I am personally familiar with play a critical role in eradicating educational inequities for the poor and minorities at the post-secondary level and in reducing unemployment and increasing earning potential among minority youth. These programs have also aided in maximizing the cost-effectiveness of student financial aid programs.

The increase in appropriations for fiscal year 1977, fiscal year 1978, and ficcal year 1979 have shown evidence of Congressional commitment to make compensatory services available to a broader population so that low-income students may achieve postsecondary entrance and retention rates equal to that of the general population and be proportionately represented in all categories of postsecondary institutions and in the full range of academic concentrations, including scientific and pre-professional curricula.

Talent Search, Upward Bound, Special Services, and Educational Opportunity Centers programs have proven successful in helping disadvantaged students enroll and succeed in college. I am sure you are aware of the recent Office of Education evaluation of Upward Bound that showed the participating students entered college at a 79 percent rate compared with the 61 percent rate of a control group of students from similar backgrounds, and remained in school at the same rate of other students.

For these reasons, I strongly urge your subcommittee to provide a $400 million authorization for these programs and to extend them through fiscal year 1985 to assure their continued effectiveness.

Thank you for your consideration.

Sincerely,

ADAM BENJAMIN, JR.,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 16, 1979

Hon. WILLIAM D. FORD,
Chairman, Subcommittee on Post Secondary Education,
House Education and Labor Committee, Washington, D.C.

DEAR MR. CHAIRMAN: I am enclosing a copy of a letter and information from Frank Gallegos of Albuquerque, New Mexico relative to the Special Programs for Disadvantaged Students of the Higher Education Act of 1965.

I would appreciate your review of the enclosures and any comments you would like to make on its contents.

Thank you for your consideration.

Best regards,

MANUEL LUJAN, JR.

Enclosures.

To: The Honorable Manuel Lujan, Jr., Congressman, United States.
From: Frank Gallegos.
Re: Handicapped Student Affairs.

The attached position paper makes a number of recommendations concerning the Special Programs for Disadvantaged Students section of the Higher Education Act of 1965 as amended which expires in June, 1980, and which will be considered for reauthorization the following year. This paper is provided in response to a request from the National Coordinating Council of Educational Opportunity Associations for input from the Special Programs consumer population. At present handicapped students have had little input into the regional associations, and as a consequence little has been done by the national administration to provide the services required by Section 504 of the Rehabilitation Act of 1973 which mandates full and equal access into higher education by handicapped individuals. This paper recommends that when the Special Programs Section of the Higher Education Act of 1965, as amended, is considered for relegislation, a major portion of that legislation should provide for the services mandated in 504, and that 504 guidelines, and Special Programs guidelines be reconciled into one set that will provide an avenue for accuracy in accountability for program administrators.

The Honorable William Ford, Congressman from Michigan chairs the subcommittee which will review input and make recommendations for the reauthorization. If I may provide further input or elaboration in this matter please find me at 1421 Martha NE, Albuquerque, New Mexico 87110 or call 255-5007.

Attached are the recommendations which will be made by the National Coordinating Council of Educational Opportunity Associations.

Many of the recommendations which have been made by the National Coordinating Council of Educational Opportunity Associations merely scratch the surface insofar as substantive changes in Special Programs are concerned. The basic premise behind the original authorization of Special Programs has changed.

That premise was that postsecondary institutions were not "geared" to deal with the problems that nontraditional or disadvantaged students brought with them and therefore Special Programs which were to be funded from the federal treasury were needed to provide compensatory services to them. Much research and evidence indicated that equal access could not be achieved without a Special Programs effort.

The change that has occurred with most postsecondary institutions and principally colleges and universities is that with the decline of traditional students, they must, in order to survive, institute state funded programs of recruitment and retention aimed primarily at nontraditional and disadvantaged students.

This is quite evident at the University of New Mexico, which is currently feeling the financial pinch of declining traditional student enrollments. UNM has finally faced the fact that if it is to remain a vital institution it must actively reach out to disadvantaged students, enroll them, retain them, and graduate them. The reason for this is again quite simple. The available student pool is composed of Black Americans, Oriental Americans, Native Americans, and Hispanic Americans, and is growing at a much greater rate than the traditional student pool. In addition, recent federal legislation requires equal access to handicapped students at all levels of the educational spectrum.

The University of New Mexico is not unusual among universities in its repsonse to this requirement. Intensive recruitment and retention programs are in the planning stages which will have as their objective the inclusion of disadvantaged students into the academic mainstream of the university. Once in place, these recruitment and retention programs will have the effect of eliminating the need of federally funded programs. With one exception.

The exception is services to handicapped students. Although section 504 of the Rehabilitation Act of 1973 requires that postsecondary institutions make all programs and activities accessible to the handicapped; the actual architectural changes that must be made, and the academic support services that are required for handicapped students are in most cases so expensive that most universities will not be able to meet the June, 1980 deadline required by 504.

Currently many postsecondary institutions including UNM rely heavily on Special Programs to provide academic support services to physically handicapped students. A number of problems arise with this arrangement:

1. First the Special Services Program is mandated to provide services to five different definitions of disadvantaged students of which physically handicapped is only one. The other four definitions include limited English-speaking ability, culturally disadvantaged, economically disadvantaged, and educationally disadvantaged. Theoretically, approximately 50 percent of the student body at UNM qualifies under these guidelines, yet Special Services programs are *not* funded on the basis of need. This situation forces program directors to be very selective about students who will be provided services. Again, with one exception. The handicapped student.

2. Since 504 requires that all enrolled handicapped students must be provided academic and other services, the burden falls on Special Services Programs because of a lack of state funded programs. Basically there exists a situation in which the Special Services Directors must comply with two different laws with different requirements.

3. The Special Services Program can only provide academic or classroom support services, and is not authorized to provide otther types of services which are needed by handicapped students and which are not provided by other sources.

4. The tenuous nature of discretionary contracts between the Office of Education and postsecondary institutions does not ensure that handicapped students will continue to receive services critical to their continued enrollment. If a contract is terminated with an institution, services to handicapped students would end, thereby creating difficulties for handicapped students and the institution.

PROPOSAL

Given the above situation, a number of crucial changes should be made in order to improve the Special Services Programs which are authorized under the Higher Education Act of 1965, as amended.

First, the changes that are proposed here reflect only one point of view and probably do not reflect the thinking and ideals of the vast majority of Special Programs administrators. Secondly, the proposed changes will not address the mechanics of the various special programs as they exist; rather they will address the basic premises upon which the programs are authorized.

The first change that is proposed is that postsecondary institutions which are recipients of Special Programs should be encouraged to develop recruitment and retention programs which would become institutionalized within two or three years of receiving a seed money grant through the new authorization. An example of how this can be done is the University of New Mexico's College Enrichment Program (CEP). The UNM CEP began as an Upward Bound Program approximately ten years ago. The first two years the program operated, it did so with federal funding. In 1971 the program became state funded, and in 1974-75 the program was instituted in all of the other four year institutions in the state (at Highlands University, Western University, Eastern University, and NMSU). This model could certainly be used in other states.

The differences between Upward Bound, Talent Search, Special Services for Disadvantaged Students, and Educational Opportunity Centers are minimal and often duplicate the services they provide. The collective purposes of these programs are to inform, recruit, enroll, retain, and graduate students.

The second change that is proposed deals primarily with services to handicapped students and the mandates of Section 504 of the Rehabilitation Act of 1973. Equal access, as an Ideal, is certainly a desirable thing however the costs involved in eradicating architectural barriers alone are staggering if not impossible for most postsecondary institutions. The costs for eradicating architectural barriers will be borne primarily by institutions through funds allocated by state legislatures.

The cost of classroom and academic support services should be absorbed by the federal government through the Special Programs reauthorization. Services under the new authorization should be expanded to include supportive services such as student pools for severely handicapped students, specialized counseling, advocacy, Braille services, reader services, transcription services, etc., in addition to tutoring. In short, the auxiliary and classroom support services which are called for in 504 should be provided by the Special Programs.

The third proposed change is that Special Programs guidelines should be "tied in" with Section 504 of the Rehabilitation Act of 1973 guidelines. The current administrative problems described earlier could easily be eradicated if program administrators had but one set of guidelines to work with instead of two, which may at times call for opposing rules. An example of this is the age limitations of the Special Programs, and the no-age limitation of 504. Another is the eligibility documentation requirement of Special Programs, and the no eligibility documentation requirement of 504.

PROJECT FORWARD

Educational Talent Search
Seton Hill College
Greensburg, Pennsylvania 15601

May 21, 1979

Congressman William D. Ford
U.S. House of Representatives
619 House Office Building Annex #1
Washington, D.C. 20515

Dear Congressman Ford,

In my testimony before the Subcommittee on Postsecondary Education, this past April 10, I noted that it is our conviction, based on experience that Talent Search is counter-welfare, or in other words, that providing opportunities for education is one of the most direct, dignified, and relatively inexpensive approach to the welfare issue. Relative to this position of ours, one of our staff has just completed an internal study based on a poll taken of clients assisted by Talent Search (Project Forward, our office) during the calendar year 1975. This particular year, 1975, was selected because it allowed him to include graduates of 2- or 4-year college programs. The evidence is affirmative insofar as indicating that Talent Search makes it possible for a high percentage of former welfare recipients to transfer themselves to a tax-paying and self-supporting status.

I want to reassure you of TRIO's appreciation of your concern and efforts toward reauthorization of our program, and especially for listening to our testimony. The hearing before the Subcommittee on Postsecondary Education on April 10 certainly seemed thorough and supportive.

Sincerely,

Sister Mary Agnes
Sister Mary Agnes, S.C.
director, PROJECT FORWARD

SMA/njb

Enclosure

REAUTHORIZATION OF THE HIGHER EDUCATION ACT AND RELATED MEASURES

Part 1—Library and Cooperative Education Programs

THURSDAY, APRIL 26, 1979

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTSECONDARY EDUCATION
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2257, Rayburn House Office Building, Hon. William D. Ford (chairman of the subcommittee) presiding.

Members present: Representatives Ford, Weiss, Buchanan, and Ratchford.

Staff present: Thomas R. Wolanin, staff director; Patricia F. Rissler, deputy staff director; Roberta Stanley, legislative associate; William Clohan, Jr., minority counsel; and Jennifer W. Vance, minority legislative associate.

Mr. FORD. We are continuing hearings on the reauthorization of the Higher Education Act. And Mr. Buchanan, the ranking minority member, is on his way and has sent word ahead for us to proceed and he will catch up with us when he comes in.

I have a number of conflicts this morning. I have just come from having my spirits dashed at a meeting where we discussed the budget resolution for next week. And we are going to be presented with a budget of some $6 billion below the President's budget. For those of us involved in education that makes us less than happy.

The subcommittee on Postsecondary Education is continuing its hearings in connection with the reauthorization of the Higher Education Act. Today we will receive testimony on two programs authorized by that act, the library programs—title II—and the cooperative education program—title VIII.

As we meet for the second time this month to examine the Federal library programs contained in the Higher Education Act, we again unfortunately have to face the reality of the administration's less than enthusiastic support for funding these most worthwhile programs.

I'm convinced—and I'm sure the testimony presented here today will support my position—that these programs are vital to the continued well being of many of the Nation's higher education institutions. Though the grants provided to 2,536 institutions under the basic grant program of title II-A amounted to only $3,963 in fiscal year 1979, they have proven to be crucial to many schools' library budgets. Too often college libraries have suffered the brunt of the budget cutting leaving their acquisition budget at a less than adequate level.

The increased costs for library materials have been well documented. Because our April 3 joint hearing with the Subcommittee on Elementary, Secondary, and Vocational Education focused on these aspects, I won't deal with it further this morning.

It's encouraging and gratifying to know that the basic grant program serves such a wide variety of institutions in its 2,536 recipients. While some have criticized the small size of the grants, saying that larger grants targeted on a few, large libraries would have more impact, I believe the program has proven helpful to a diverse and very important segment of the higher education community.

Many of the colleges which receive these grants act in the dual function of serving both the academic community and the local residents. Further, the strength of higher education in the United States stems to a great degree from its diversity. The 2-year, 4-year, graduate or postgraduate institutions, public and private, rural, suburban, and urban all benefit from the college library grants. The diversity we have achieved here is a goal of many of our programs, and it should be encouraged and supported.

We continue to need top quality personnel in the library field. Title II-B, library training, research and demonstration, has made a significant step toward insuring accessibility to the library profession for women and minorities and to insure that emphasis is placed on high caliber personnel.

The budgetary problems faced by libraries are felt even more intensely by our major research libraries. The materials they require are very costly and the staff must have extraordinary skills. Title II-C in its first 2 years has given us solid evidence of its value to higher education and the community at large.

The other program we will consider today—cooperative education—is an exciting and successful use of Federal funds. Grants are made to institutions of higher education under this program to assist in the establishment of cooperative education programs. Students benefit from these programs in two ways: (1) they receive valuable education-related work experience, and (2) they receive a salary from their employer which assists in meeting their educational expenses.

A study mandated by the fiscal year 1975 Appropriations Act had some important findings. Among them, this study found that cooperative education programs had increased from 300 institutions to 1,100 institutions since Federal funding began in 1970. Also the study reported that cooperative education is a more effective method of providing financial benefits than direct Federal assistance programs. The study specifically encouraged recognition of the fact that the Federal investment in this program is less than the direct return in taxes paid on the student earnings.

We will receive several perspectives today on this program. Among the witnesses scheduled are university presidents, an industry representative and the program coordinator at a rural community college.

The panel discussing the library programs will speak first. I ask that all witnesses summarize their prepared statement in 10 minutes or less. The prepared statement will be printed in full in the hearing record.

Without objection the prepared statements presented by the members of the panel will be inserted in full at this point in the record and you may proceed in the order of your appearance on the notice of the hearing, unless you have a preference otherwise, to summarize, supplement, or highlight the contents of your statement.

Do you have a preference among the panelists?

TITLE II PANEL—SUSAN K. SCHMIDT, HEAD, REGIONAL LIBRARY SERVICE CENTER, CALDWELL, OHIO; DAVID BISHOP, ASSISTANT DIRECTOR FOR TECHNICAL SERVICES, UNIVERSITY OF CHICAGO LIBRARIES, CHICAGO, ILL.; ANN TURNER, LIBRARIAN, NORWICH UNIVERSITY LIBRARY, NORTHFIELD, VT.; DAVID HESSLER, PROFESSOR, SCHOOL OF LIBRARY SCIENCE, UNIVERSITY OF MICHIGAN, ANN ARBOR, MICH.; CARLTON C. ROCHELL, DEAN OF LIBRARIES, ELMER HOLMES BOBST LIBRARY, NEW YORK UNIVERSITY, NEW YORK, N.Y.

STATEMENT OF DAVID BISHOP, ASSISTANT DIRECTOR FOR TECHNICAL SERVICES, UNIVERSITY OF CHICAGO LIBRARIES, CHICAGO, ILL.

Mr. Bishop. My name is David Bishop. I am assistant director for technical services at the University of Chicago Libraries and I chair the Committee on Legislation of the Association of College and Research Libraries which is a division of the American Library Association.

I appreciate this opportunity to speak to the reauthorization of title II-A of the Higher Education Act. My remarks will be based primarily on the results of a survey of title II-A grant recipients which was conducted by the Washington office of the American Library Association and the committee which I chair.

The survey we produced was sent to over 500 library directors randomly selected from the title II-A recipient list. The analysis we did was a cross tabulation of the responses to the questions with the data we had requested about each library.

We also cross tabulated the information we had obtained about each institution and found that we could identify four types of institutions, each comprising approximately 25 percent of the total sampling. The first type is the small 2-year college.

The second type is medium sized 2-year and small 4-year colleges. The third type consists of 4-year colleges and large 2-year colleges. The fourth type is the university.

The questions we asked in the second part of the survey attempted to obtain guidance on whether title II-A should be restructured, and if so, in what way. We first asked if the program should be continued, amended or repealed. Of the three smaller types of libraries, 44 percent want the program to continue unchanged while 52 percent want it amended. Among the university group 31 percent want it to continue while 62 percent want it amended. There is little support for repealing among any group. In retrospect, I believe we made a mistake in that the background information we provided encouraged respondents to opt for amending the program. In light of this, the fact that 44 percent of the three smaller groups want to retain the program unchanged represents considerably stronger support than might appear.

The second question asked respondents to choose one of three ways to amend the program. The choices were to base it on need, establish a State grant program, or develop a major change in direction. Again the three smaller types of institutions are consistent in overwhelmingly opting—by 75 percent—for a program based on need while the universities prefer a major change. There is little support for a State grant program.

The remaining questions asked about techniques for determining need, approaches to state grant programs, and ways of achieving a major change in the program.

We found from our survey that the title II-A program in its present form has been useful and often vital to the 75 percent of our colleges and universities with book budgets under $150,000 a year. For the larger institutions, those in the fourth group, the picture is considerably different. The grants have had little impact on these collections and there is a strong preference to change the concept of the program. Comments from members of this group like "right now it is only marginally worth the effort" and "there would be no major effect if the funds stopped" are not uncommon.

It is clear that the program needs to be focused better than it is at present. An overwhelming majority want the program based on need but need should be defined so that it includes the bulk of the country's junior and 4-year colleges.

There has been citicism that title II-A consists of marginal awards to nearly every institution in the country without regard to need. I believe we must consider this program both in terms of its impact on individual institutions and its effect on the academic library community in general.

Alvin Skipsna, librarian of Skidmore College, in testimony presented to Commissioner Boyer and the USOE staff at a public hearing on the "Reauthorization of the Higher Education Act of 1965 as Amended" in New York City, February 1, 1979, said:

> Before you accept the too-little-and-thus-ineffective rationale, look at it in another way. Look at it as a $40,000 or $50,000 grant paid over a period of 10 years, and then see what exciting and effective things many college libraries have done developing an edge of excellence not found in their bread-and-butter budgets.

Our survey supports this and identifies numerous examples of creative programs that have been developed.

When viewed as a multiyear grant, the total amount to each institution has been significant but the national impact may have been even more significant. Last year an estimated 500,000 volumes were purchased with title II-A funds which is nearly twice the number added to the collections of the Harvard University Libraries. The collective loss of these volumes would not only weaken the individual collections of our junior and 4-year colleges but would have a detriment effect on the country's interlibrary load structure as well. A particular interesting comment we received was from a librarian from a 4-year college in Illinois who said:

> Ironically, just when this program gives the most "bang for the buck" because of widespread OCLC sharing and ILL, it loses its credibility. Small institutions respond

better to ICC loan requests. H II-A funds have enriched our natural patrimony. Changing this ecology now will mean less for all.

What has happened is that as resources have become scarcer and as computer communications systems have improved, small institutions have been required to and have become better able to share with one another. They find that other institutions in their immediate geographic area are able to give better, faster interlibrary loan service than the few large libraries one traditionally thinks of for interlibrary loan. They also find that services such as OCLC provide a fast, reliable means of locating titles in nearby libraries, a capability that did not previously exist. The loss of Title II-A funds would reduce the growth of college libraries and weaken their collections.

It would also tend to reduce the variation in these collections. College libraries with budgets cut to starvation levels would tend to develop nearly identical collections of the most basic materials. It is only as collections exceed these basic levels that variations develop which result in collections suitable for resource sharing among smaller institutions. To stop or inhibit this development at a time when it is just beginning to be effective would be most unfortunate.

In conclusion, Title II-A of the Higher Education Act has been and is an extremely effective program. It should be reauthorized essentially in its present form but with a provision that would exclude institutions that are above a certain size. This size might be determined by computing the grant as a percentage of the institution's book budget and excluding those for whom the grant would be less than a certain percent of their book budget.

Funding levels for basic grants should be increased to $10,000. The supplemental grants should be continued to aid the most needy institutions and funding should be provided which would make this a meaningful aspect of the program.

Title II-A in conjunction with Title II-C provides a coordinated program of support to libraries serving higher education. Title II-C strengthens research collections and makes those collections available to other libraries and users. Title II-A assists libraries in developing basic collections to meet immediate user needs.

Both these programs are extremely necessary. Eliminating Title II-A would not only weaken junior college and college library collections, but also would place unrealistic demands on large university libraries, thereby adversely affecting the entire academic library structure in this country.

I am pleased to be able to share the views of my fellow college librarians with you today, and I appreciate the opportunity to appear before the subcommittee on this important program.

Thank you.

[The full statement of Mr. Bishop furnished for the record follows:]

Statement of David Bishop
Assistant Director for Technical Services
University of Chicago Libraries, Chicago, Illinois
before the
Subcommittee on Postsecondary Education
House Committee on Education and Labor
on reauthorization of the Higher Education Act
April 26, 1979

My name is David Bishop. I am Assistant Director for Technical Services at the University of Chicago Libraries and I chair the Committee on Legislation of the Association of College and Research Libraries which is a division of the American Library Association.

I appreciate this opportunity to speak to the reauthorization of Title II-A of the Higher Education Act. My remarks will be based primarily on the results of a survey of Title II-A grant recipients which was conducted by the Washington Office of the American Library Association and the Committee which I chair.

The survey we conducted consisted of three parts. The first part provided respondents with background information on the history of the Higher Education Act and its funding. The second part asked questions about recommended future directions of Title II-A. And, the third asked the respondents to describe the libraries they represent in terms of total budget, book budget, type of institution, enrollment, and means of support.

The survey was sent to over 500 library directors randomly selected from the Title II-A recipient list. We received 264 responses which we felt was good particularly since there was not time to engage in any follow-up activity. The results were analyzed using a computer program called SPSS (Statistical Package for the Social Sciences). The analysis was a cross tabulation of the responses to the questions with the data we had requested about each library.

We also cross tabulated the information we had obtained about each institution and found that we could identify four types of institutions, each comprising approximately 25 percent of the total sampling. The first type is the small two-year college. It has a total library budget of under $75,000 a year, a book budget of under $20,000, and an enrollment of under 1,000 students. About half of these colleges are supported privately and the other half are supported publicly.

The second type is medium sized two-year and small four-year colleges, with a total library budget of from $75,000 to $150,000 a year, a book budget of $20,000 to $50,000, and an enrollment of between 500 and 2,500 students. Of this group, two thirds are publicly supported.

The third type consists of four-year colleges and large two-year colleges, with a total library budget of between $150,000 and $500,000 a year, a book budget of between $50,000 and $150,000 and an enrollment of from 1,000 to 5,000 students. This group is more evenly divided between public and private institutions.

The fourth type is the university, with a total library budget of over $500,000 a year, a book budget of over $150,000 and an enrollment of over 5,000 students. This group is overwhelmingly publicly supported.

The questions we asked in the second part of the survey attempted to obtain guidance on whether Title II-A should be restructured, and if so, in what way. We first asked if the program should be continued, amended or repealed. Of the three smaller types of libraries, 44 percent want the program to continue unchanged while 52 percent want it amended. Among the university group 31 percent want it to continue while 62 percent want it amended. There is little support for repealing among any group. In retrospect, I believe we made a mistake in the first part of the survey, the history of the legislation, in that we encouraged respondents to opt for amending the program. In light of this, the fact that 44 percent of the three smaller groups want to retain the program unchanged represents considerably stronger support than might appear.

The second question asked respondents to choose one of three ways to amend the program. The choices were to base it on need, establish a state grant program, or develop a major change in direction. Again the three smaller types of institutions are consistent in overwhelmingly opting (by 75 percent) for a program based on need while the universities prefer a major change. There is little support for a state grant program.

The remaining questions asked about techniques for determining need, approaches to state grant programs, and ways of achieving a major change in the program. We also sought general comments about the effectiveness of the program, asking what the impact on their institutions had been, as well as what the result would be if it were terminated.

The comments we received were particularly interesting and provide an insight into the usefulness of the Title II-A program. The following are responses to a question about the effect termination of the program would have.

> A librarian from a private 2-year college in Georgia said: "We would be reduced almost to the 'starvation level' of buying as the grant is 2/5 of our entire materials budget."

> A librarian from a private 4-year college in Kentucky said: "As the II-A basic grant comprises half of the total library budget for library materials and binding at our school, the effect would be that of a major setback in developing our library."

> A librarian from a public 2-year college in Iowa said: "These funds are about 1/4 of our budget for materials. We provide material for new programs and provide materials for new courses. These funds allow change and growth."

The fact that colleges and universities must maintain present levels of support to libraries is extremely important.

> A librarian from a public 2-year college in California said: "The maintenance of effort requirement associated with II-A has definitely helped to keep our budget up. Our college administration has maintained our budgets on at least as high a level from one year to the next, and the II-A grant has provided support for maintaining the levels. Otherwise, there might be a tendency to nibble away each year at acquisition moneys."

> A librarian from a public 2-year college in Tennessee said: "With grant money, our maintenance of effort is kept up by the administration."

Institutions use Title II-A funds to purchase a variety of types of materials and to support a number of imaginative programs. The following are some samples:

> A librarian from a private 4-year college in South Carolina said: "Some of our special program needs would not be met--e.g. urban studies, interdisciplinary courses. We have used II-A funds to purchase library materials for courses that are inter-departmental."

> A librarian from a public 2-year college in Florida said: "If we did not receive this grant, acquisition of library materials, especially books on minorities, environmental issues and vocational information would suffer. The II-A grant has been the main source of money used to buy these materials for the past five years."

> A librarian from a private 4-year college in North Carolina said: "We have put about 20-30 percent in building up our Black studies resources. We don't have specific departments in that, but we have needs to be met there. Departmental allotments didn't cover that, HEA did and has. Programs of foreign study have been aided tremendously by block grants from our HEA funds."

> A librarian in Alaska said: "I asked for the maximum amount under the HEA II-A program this year in order to purchase reference materials for the libraries in the tiny Eskimo villages which our college serves. There are about 35 of these villages, and none of them has a public library and most do not have school libraries. The need is tremendous, but the college's budget does not allow for the purchase of materials for all these off-campus sites. The HEA II-A grant would be just a start towards starting libraries for these students. If we did not receive the grant, the huge need could be addressed to an even lesser degree."

> A librarian from a private 4-year college in Michigan said: "Most of the materials relating to social issues; e.g. blacks, women, American Indians, etc., have been purchased with these funds. Departmental funds are inadequate to support these important resources."

And finally, there was comment which I found particularly interesting from a librarian in a 4-year college in Illinois who said:

> "Ironically, just when this program gives the most 'bang for the buck' because of widespread OCLC sharing and ILL (interlibrary loan), it loses its credibility. Small institutions respond better to ILL (interlibrary loan) requests. HEA II-A funds have enriched our shared national partimony. Changing this ecology now will mean less for all!"

These are a small sampling of the many comments that we received.

We found from our survey that the Title II-A program in its present form has been useful and often vital to the 75 percent of our colleges and universities with book budgets under $150,000 a year. For the larger institutions, those in the fourth group, the picture is considerably different. The grants have had little impact on these collections and there is a strong preference to change the concept of the program. Comments from members of this group like "right now it is only marginally worth the effort" and "there would be no major effect if the funds stopped" are not uncommon.

It is clear that the program needs to be focused better than it is at present. An overwhelming majority want the program based on need but "need" should be defined so that it includes the bulk of the country's junior and 4-year colleges.

There has been criticism that Title II-A consists of marginal awards to nearly every institution in the country without regard to need. I believe we must consider this program both in terms of its impact on individual institutions and its effect on the academic library community in general.

Alvin Skipsna, librarian of Skidmore College, in testimony presented to Commissioner Boyer and the USOE staff at a public hearing on the "Reauthorization of the Higher Education Act of 1965 as Amended" in New York City, February 1, 1979, said:

> "Before you accept the too-little-and-thus-ineffective rationale look at it in another way. Look at it as a $40,000 or $50,000 grant paid over a period of ten years, and then see what exciting and effective things many college libraries have done developing an edge of excellence not found in their bread-and-butter budgets."

Our survey supports this and identifies numerous examples of creative programs that have been developed.

When viewed as a multi-year grant, the total amount to each institution has been significant but the national impact may have been even more significant. Last year an estimated 500,000 volumes were purchased with Title II-A funds which is nearly twice the number added to the collections of the Harvard University Libraries. The collective loss of these volumes would not only weaken the individual collections of our junior and 4-year colleges but would have a detrimental effect on the country's interlibrary loan structure as well. Let me return to the comment of the librarian from Illinois who said:

> "Ironically, just when this program gives the most 'bang for the buck' because of widespread OCLC sharing and ILL, it loses its credibility."

What has happened is that as resources have become scarcer and as computer communication systems have improved, small institutions have been required to and have become better able to share with one another. They find that other institutions in their immediate geographic area are able to give better, faster interlibrary loan service than the few large libraries one traditionally thinks of for interlibrary loan. They also find that services such as OCLC provide a fast, reliable means of locating titles in nearby libraries, a capability that did not previously exist. The lost of Title II-A funds would reduce the growth of college libraries and weaken their collections. It would also tend to reduce the variation in these collections. College libraries with budgets cut to starvation levels would tend to develop nearly identical collections of the most basic materials. It is only as collections exceed these basic levels that variations develop which result in collections suitable for resource sharing among smaller institutions. To stop or inhibit this development at a time when it is just beginning to be effective would be most unfortunate.

In conclusion, Title II-A of the Higher Education Act has been and is an extremely effective program. It should be reauthorized essentially in its present form but with a provision that would exclude institutions that are above a certain size. This size might be determined by computing the grant as a percentage of the institution's book budget and excluding those for whom the grant would be less than a certain percent of their book budget.

Funding levels for basic grants should be increased to $10,000. The supplemental grants should be continued to aid the most needy institutions and funding should be provided which would make this a meaningful aspect of the program.

Title II-A in conjunction with Title II-C provides a coordinated program of support to libraries serving higher education. Title II-C strengthens research collections and makes those collections available to other libraries and users. Title II-A assists libraries in developing basic collections to meet immediate user needs. Both these programs are extremely necessary. Eliminating Title II-A would not only weaken junior college and college library collections, but also would place unrealistic demands on large university libraries, thereby adversely affecting the entire academic library structure in this country.

I am pleased to be able to share the views of my fellow college librarians with you today, and I appreciate the opportunity to appear before the subcommittee on this important program. Thank you.

CHARACTERISTICS OF U.S. COLLEGE & UNIVERSITY LIBRARIES RESPONDING TO AMERICAN LIBRARY ASSOCIATION SURVEY ON HEA II-A

General Charactertistics	Type of Postsecondary Institutions			
	Small 2-yr. Institutions	Medium-sized 2-yr. & Small 4-yr. Colleges	4-yr. and Large 2-yr. Colleges	Universities
Total library budget	under $75,000	from $75,000 to $149,999	from $150,000 to $500,000	over $500,000
Budget for library materials and binding	under $20,000	from $20,000 to $149,999	from $50,000 to $150,000	over $150,000
Enrollment	under 1,000	from 500 to 2,500	from 1,000 to 5,000	over 5,000
Private/public support	54% private 46% public	34% private 66% public	43% private 57% public	29% private 71% public

Response to Question 1, should HEA Title II-A be continued, amended or repealed, crosstabulated by budget for library materials and binding

Budget for library materials and binding	Question 1			Totals
	continue	amend	repeal	
to $19,999	30 (46.2%)	34 (52.3%)	1 (1.5%)	65 (24.8%)
$20,000 - 49,999	32 (45.1%)	36 (50.7%)	3 (4.2%)	71 (27.1%)
$50,000 - 149,999	25 (41.0%)	33 (54.1%)	3 (4.9%)	61 (23.3%)
$150,000 and up	20 (30.8%)	40 (61.5%)	5 (7.7%)	65 (24.8%)
Totals	107 (40.8%)	143 (54.6%)	12 (4.6%)	262 (100.0%)

Response to Question 2, if amendments are necessary, what would work best, relating the grant to quantitative criteria of need, changing II-A to a state grant program, or a major change in the direction of the program, crosstabulated by budget for library materials and binding.

Budget for library materials and binding	Question 2			Totals
	add need criteria	state grants	major change	
to $19,999	50 (79.4%)	9 (14.3%)	4 (6.3%)	63 (25.1%)
$20,000 - 49,999	53 (79.1%)	9 (13.4%)	5 (7.5%)	67 (26.7%)
$50,000 - 149,999	37 (63.8%)	8 (13.8%)	13 (22.4%)	58 (23.1%)
$150,000 and up	26 (41.3%)	8 (12.7%)	29 (46.0%)	63 (25.1%)
Totals	166 (66.1%)	34 (13.5%)	51 (20.3%)	251 (100.0%)

Mr. FORD. Thank you very much.
Who would like to proceed next?

STATEMENT OF ANN TURNER, LIBRARIAN, NORWICH UNIVERSITY LIBRARY, NORWICH, VT.

Ms. TURNER. My name is Ann Turner. I have been a librarian in Vermont for 15 years. For the past 4 years I have been head librarian at Norwich University, in Vermont. Norwich is the Nation's oldest private military college with an enrollment of about 1,400 men and women and is typical of the many small colleges in the United States.

I am here today to speak in behalf of the small, independent colleges, particularly those in my own State, whose problems I know, and to request that the Title II-A be retained in the Higher Education Act.

I hardly need to tell you that the small, private colleges in our country are finding it very difficult, in many cases impossible, to maintain quality programs. In my own State, Windham College recently closed its doors for good. Bennington College, one of the most prestigious liberal arts colleges in America, has made public the financial problems that seriously threaten its continued existence. Norwich's neighbor, Goddard College, is struggling desperately to survive. Even our tax-supported State colleges are deeply concerned about their future.

As the number of private colleges dwindle, the tax-supported public institutions are strained even further.

The problem that I am addressing today may seem minor in the overall operations of these institutions, but I can assure you that it is a most serious one to those of us who must provide adequate library materials for our students.

In 1969, Title II-A provided each college and university in the country with a grant of $5,000. Although the financial needs of these institutions have increased enormously in the last decade, the grants have grown smaller each year. The fiscal year 1978 Title II-A grant was $3,906. And yet, during the last 10 years the average cost of a library book has more than doubled and the cost of periodical subscriptions and library equipment has more than tripled.

I would like to explain briefly what a Title II-A grant means to a small college library. At Norwich we have purchased cassettes, records, microfilms, and some very excellent books for our collection of military histories. Bennington College has built up its drama collection, Johnson State its music collection, Vermont College reference books for its nursing program. Middlebury has used Title II grants to augment its American literature collection, Lyndon State its books on meterology, Vermont Technical College its books on civil engineering, St. Michael's its books on administration.

In each case, the grant money has significantly enriched a college's collection and has at the same time helped all the other colleges in the State, since we share one another's resources through interlibrary loans.

We also lend to high school and public libraries. If there is a bright high school student who wants to study nuclear physics, we are happy to lend him our books.

I would also like to point out that, while the $3,963 which the colleges and universities received this year may seem insignificant to a university whose annual budget exceeds half a million dollars, it was a most welcome supplement to my own book budget of $32,000. I can assure you that a large number of colleges with a school population comparable to ours are operating on a much smaller budget for books and audiovisual supplies.

The current trend in education is away from concentration on a few classic textbooks. Students are urged to use many sources, to write many research papers. This is, of course, a marvelous way to add to one's store of knowledge and broaden one's outlook on life. However, only in large universities can students obtain a great variety of resources.

In a State as small as Vermont each college must develop its own special collections and share them with their neighbors. In that way, students can live on small campuses, in close contact with their teachers, and still have a wealth of research material available to them.

In the proposed Federal budget for 1980-81, large research libraries are scheduled to receive increased funding. While I have no doubt that the needs of research libraries are also great, the small-college libraries do not share their good fortune. Large research libraries are used mainly by graduate students, those pursuing master's and doctor's degrees. The average student going to college in Vermont just cannot travel all the way to MIT or Harvard or Yale to use their books, and really shouldn't have to if we continue to improve our own libraries. I might also point out that the new copyright law has created an added expense for students sending away for photocopied materials.

Another expense we have already suffered has been the added expense of postal fees.

Small colleges are improving their libraries, not only through the actual cash that Title II-A grants provide but also in another less obvious way. Funds received through Title II-A must be matched by the colleges, and can be spent only on stipulated materials that support collection growth. Administrators have, therefore, taken more interest in collection growth during the last 10 years than they would have without the incentive provided by a Title II-A grant.

In closing, I would like to emphasize once again that the annual Title II-A grants are vitally important to small college libraries. We feel that we are using these funds wisely and that our students are deriving many benefits that would not otherwise be available to them.

I strongly urge you to recommend that annual Title II-A grants be continued and, if possible, increased in the Higher Education Act.

I appreciate your attention to this program and thank you for the opportunity to take part in this hearing.

[The full statement of Ms. Turner furnished for the record follows:]

Statement of Ann Turner
Librarian
Norwich University, Northfield, Vermont
before the
Subcommittee on Postsecondary Education
of the
House Committee on Education and Labor
on reauthorization of the Higher Education Act
April 26, 1979

My name is Ann Turner. I have been a librarian in Vermont for fifteen years. Before that I had been a reference librarian at Dartmouth College, and also had been in charge of a public library in New York. I have been an active member and officer of the Vermont Library Association and New England Library Association and a member of the American Library Association. For the past four years, I have been head librarian at Norwich University in Vermont. Norwich is the nation's oldest private military college with an enrollment of about 1,400 men and women and is typical of the [illegible] small colleges in the United States.

Because Vermont is small, I maintain close contact with all other college librarians in the state. I know their problems--they are similar to mine at Norwich--as are the problems of all small colleges in New England.

I am here today to speak in behalf of the small, independent colleges, particularly those in my own state, whose problems I know, and to request that the Title II-A be retained in the Higher Education Act.

I hardly need to tell you that the small, private colleges in our country are finding it very difficult, in many cases impossible, to maintain quality programs. In my own state, Windham College recently closed its doors for good. Bennington College, one of the most prestigious liberal arts colleges in America, has made public the financial problems that seriously threaten its continued existence. Norwich's neighbor, Goddard College, is struggling desperately to survive. Even our tax-supported state colleges are deeply concerned about their future.

Norwich has been producing greatness in all professions and all walks of life for 160 years, even though the going has been tough at times, and we have no intention of quitting now. Nor has Middlebury, St. Michael's, Trinity or any other small college in Vermont that is equally proud of its heritage and its graduates.

The problem that I am addressing today may seem minor in the overall operations of these institutions, but I can assure you that it is a most serious one to those of us who must provide adequate library materials for our students.

In 1969, Title II-A provided each college and university in the country with a grant of $5,000. Although the financial needs of these institutions have increased enormously in the last decade, the grants have grown smaller each year. The FY 1978 Title II-A grant was $3,906. And yet, during the last ten years the average cost of a library book has more than doubled. The cost of periodical subscriptions and library equipment has more than tripled.

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Small colleges are improving their libraries, not only through the actual cash that Title II-A grants provide but also in another less obvious way. Funds received through Title II-A must be matched by the colleges, and can be spent only on stipulated materials that support collection growth. Administrators have, therefore, taken more interest in collection growth during the last ten years than they would have without the incentive provided by a Title II-A grant.

In closing, I would like to emphasize once again that the annual Title II-A grants are vitally important to small college libraries. We feel that we are using these funds wisely and that our students are deriving many benefits that would not otherwise be available to them.

I strongly urge you to recommend that annual Title II-A grants be continued and, if possible, increased in the Higher Education Act.

I appreciate your attention to this program and thank you for the opportunity to take part in this hearing.

Mr. **Ford**. Thank you.

Who wants to proceed next?

STATEMENT OF CARLTON C. ROCHELL, DEAN OF LIBRARIES, ELMER HOLMES BOBST LIBRARY NEW YORK UNIVERSITY, NEW YORK, N.Y.

Mr. **Rochell**. Chairman Ford and distinguished members of the Postsecondary Education Subcommittee, my name is Carlton Rochell and I am the dean of libraries at New York University, the largest private university in the country located in Greenwich Village, Manhattan.

The renewal of Title II-C of the Higher Education Act is what I would like to speak to today: Strengthening Research Library Resources. My remarks are a summary of my written testimony submitted to you earlier.

Today libraries are in critical need of stable ongoing Federal funding. To do less than this is to endanger a national resource at the very heart of research—resource that serves as the fountainhead for the cultural, economic, and technological stability of this Nation.

For decades the library community has been working toward developing a national library system to provide all library users access to all information they require no matter where that information is housed. But only since the passage of Title II-C in 1977 have we begun to systematically approach this objective. Title II-C reflects the Carnegie Council on Higher Education's belief that the Federal Government should inaugurate a program of financial support for large research libraries. It provides needed assistance to key research libraries for maintaining and strengthening their unique collections while making their holdings available to other libraries whose users need them.

While HEA II-C is helping the Nation's research libraries move toward establishing a national system for disseminating information resources, those libraries serving as the major components of this system have been facing a number of critical challenges. First, research libraries have been subjected to severe inflationary pressures. Last year alone book and periodical prices paid by research libraries climbed 11.6 percent and 17.5 percent, respectively.

Second, academic institutions, the parents of most research libraries, are now facing the prospect of diminishing revenues over the next decade as the college-aged population decreases.

Third, the materials within research collections are imminently endangered by widespread physical deterioration. It has been predicted that one-half the books published in the first half of the 20th century will not be usable by the 21st century. A projection by the New York Public Library has suggested that 50 percent of its collections are in need of rehabilitation. Paper and binding conservation is just one part of the problem. Microforms, photographs, recordings, and other library materials are also threatened.

And fourth, demand for research library materials is increasing, not just from primary clientele, but form users of other institutions requesting interlibrary loan services. Last year research libraries loaned to users of other libraries over 3 million volumes but borrowed only 500,000 items from other libraries.

The development of a coordinated approach to delivering library services should ease the fiscal strains facing libraries while helping them to satisfy the ever-increasing demand for information. With Title II-C as a catalyst this approach can be strengthened. But first, national coordination of certain programs is required and funding for these programs is necessary.

To begin with, a number of bibliographic utilities which supply services to libraries such as OCLC, the Research Library Information Network and the Washington Library Network need to establish communications links so they may share their data bases, thereby insuring greater access to the human record by users. In combination with this development, bibliographic network standards must be universally adopted so that interaction may be effected. Further, prompt, efficient physical access to materials not locally available must be assured. Special consideration should be given the numerous distribution and inventory problems of periodicals which could be solved by the establishment of a National Periodical Center.

And finally, the identification and preservation of last copies of fragile materials in conjunction with a national conservation program must be initiated immediately before entire collections are totally lost.

All the country's libraries and library-related organizations have already invested heavily in a coordinated national library system which would ultimately benefit all libraries and all library users. The Federal contribution to this effort is vital to its success.

Since the II-C program has just begun, little opportunity has arisen to evaluate its impact. However, early responses indicate that the program is significant and critical to the delivery of library services in this country. Therefore it should not be allowed to expire. Likewise other programs in Title II should not be allowed to expire either since they compliment the II-C effort. In fact, speaking as a member of the Association of Research Libraries, I suggest that we seriously consider an additional part to Title II—namely Title II-D which would be funded at a sufficient level to allow us to begin developing a national plan to resolve the problems of inventory, preservation, and distribution of periodical literature. At the same time as the cost of materials soars, the Title II-B program must be continued in order to fund research and development of new technology and cooperative activities that can improve the efficiency of library operations. The small investment in the research and demonstration portion of this program by the Federal Government reaps enormous benefits to better serve the library user.

In sum, these provisions of this HEA Title II contribute to creating a strong national system of information delivery. Their value to all users of libraries must not be overlooked by the Congress.

I would like to thank you for the privilege of appearing here today and urge you to extend the provisions of the Higher Education Act, Title II, particularly the II-C program and to consider a new Title II-D.

By doing so you will help to protect and nurture the research libraries of this country which have been termed by the American Council of Learning Societies, "A precious and irreplaceable national resource indispensable to scholarly research."

[The full statement of Mr. Rochell for the record follows:]

Statement of
Carlton C. Rochell, Dean of Libraries
New York University
on behalf of
American Library Association
before the
Subcommittee on Postsecondary Education
House Committee on Education and Labor
Reauthorization of the Higher Education Act
April 26, 1979

Chairman Ford, distinguished members of the Postsecondary Education Subcommittee, Ladies and Gentlemen. My name is Carlton Rochell and I am the Dean of Libraries at New York University.

The library system at New York University has been continuously involved with developing cooperative activities and services which enhance the availability of materials to an ever-expanding audience of users. The library system of

New York University, for example, is a member of the Association of Research Libraries and serves as a resource center of the New York State Interlibrary Loan System. In addition, New York University's library serves as the administrative locus of the Research Library Association of South Manhattan, a consortium which includes New York University, New School for Social Research/Parson School of Design, and Cooper Union for the Advancement of Art and Science.

New York University's library is also a member of the New York Metropolitan Reference & Research Library Resources Agency of which I am currently President. Furthermore, I serve as the Vice Chairman of the New York State Library Board and I am a delegate to the White House Conference on Library and Information Services which will convene here in the Fall.

It is from this perspective that I urge the renewal of the Higher Education Act, Title II in toto today. I will speak more specifically to Title II-C: Strengthening Research Library Resources.

I have been actively involved with authorization, funding, and grant-in-aid processes of Title II-C. New York University's library has also applied for funds under this program each year since its inception in 1977 and is currently participating in a IIC grant program for enhancing the state's interlibrary loan network which is administered by the New York State Library. This program will improve and hasten the delivery of library materials to any resident of New York State in need of such materials. Hence, I have professional and institutional interests in the reauthorization of the Higher Education Act, Title II-C.

At no time in the history of library development in this country have we more needed a stable, on-going, national funding vehicle. For at least two decades we have been caught up in various efforts to design, fund, and implement a national library system which would build on existing strengths by linking rich informational resources together in a more effective and more economical service mode. Only recently have we progressed systematically toward achieving our goal. One strong catalyst for this effort has been Title II-C which was authorized in the Education Amendments of 1976, PL94-482. I am appreciative of Congressional recognition of the importance of this program and hope this trend will continue.

The research libraries of this country have been working together since the turn of the century to develop programs which would extend their capacity to serve the needs of scholars beyond the walls of their own institutions. Many of the programs they have launched have been jointly funded by participating private and public institutions. Others have received limited funding from federal grants or through Library of Congress projects, such as the National

Program for Acquisitions and Cataloging (NPAC). The thrust of these programs has been to develop a national network of library services which would provide researchers access to any information they may require, no matter where that information is housed.

The success of these activities coupled with their long term objectives led to the development of the HEA II-C program: Strengthening Research Library Resources. Further impetus was provided by the Carnegie Council on Higher Education. In its report, entitled "The Federal Role in Postsecondary Education, Unfinished Business, 1975-1980," a new program of federal support for research libraries, was recommended. The report[1] stated:

> "Research and graduate education of high quality require access to large research libraries. Financial stringency and exceptionally rapid increases in costs of library materials have resulted in sharp cutbacks in the funds available to many leading university libraries in recent years in terms of constant dollars. This has led to cutbacks in purchases, discontinuation of periodical subscriptions, and, in some cases, in cutting back on the number of hours libraries are open.
>
> "The case for some degree of federal government support of large research libraries is precisely parallel to the case for federal government support of research and graduate education. States cannot capture all the

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[1] Carnegie Council on Policy Studies in Higher Education. The Federal Role In Postsecondary Education Unfinished Business, 1975-1980. (San Francisco: Jossey-Bass, 1975)

> benefits from their support of large research libraries, and this may help to explain why public university libraries have been particularly hard hit by cuts in state appropriations in terms of constant dollars in recent years.
>
> "We [referring to The Carnegie Council for Higher Education] believe that the federal government should inaugurate a program of financial support for large research libraries. Allocations would be based on such factors as numbers of doctoral degrees awarded and federal support of academic science in each institution. Some consideration should also be given in the allocation process to a reasonable regional balance in the availability of funds."

The Title II-C program was officially launched when it was funded in 1977. Consequently, what has been termed: "A precious and irreplaceable national resource, . . . indispensible to scholarship and research," by the American Council of Learned Societies,[2] is now receiving appropriate recognition from the federal govenment.

The purpose of the legislation has been to help research libraries maintain and strengthen their collections and assist them in making their holdings available to other libraries whose users have need for specialized materials from research library collections. This fiscal assistance serves to advance the strides already made at the local, regional, state, and national levels to share library resources widely and more efficiently.

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[2] American Council of Learned Societies. On Research Libraries (Cambridge, Mass.: M.I.T. Press, 1969)

THE CHALLENGES FACING RESEARCH LIBRARIES

While HEA II-C is helping the nation's research libraries move toward establishing a national system for disseminating information resources, those libraries serving as the major components of the system have been facing a number of critical challenges. When formulating plans for increasing the sharing of resources, such challenges as the following must be considered.

Inflation Pressures. As with all the nation's institutions, research libraries have been subjected to inflationary pressures, particularly those related to book and periodical prices. According to a recent article in the Chronicle of Higher Education, college costs in general rose 8.1% over the last year. At the same time, however, average prices paid by research libraries rose 11.6% for books and a staggering 17.5% for periodicals. This inflation rate meant that an aggregate 10.7% increase in the materials budgets at research libraries purchased only 0.3% more volumes over the previous year. Such a sky-rocketing inflation rate has also meant that many periodical subscriptions have been dropped. To compound this problem, publishers have been reducing their press runs on many titles, making it difficult to delay the purchase of needed items. When a library cannot purchase essential materials when they initially become available, they may be faced with either higher prices for the material paid to out-of-print dealers or with foregoing purchase altogether. In either case, national depositories of knowledge are at a disadvantage.

Revenue Projections. On the revenue side, projections for institutions of higher education show a dramatic contrast between the 1980s and the 1960s. The most that can be hoped for in the next decade, even at the most prestigious institutions, will be financial equilibrium. Operating expenses will continue to grow while full-time enrollment declines as the college age population decreases by 25%. Universities will be forced to depend on ever-increasing tuition and shrinking endowment income. Because the libraries of the major institutions serve not only their immediate communities but also the research community at large, this financial projection may ultimately mean that less local funds will be available to continue developing libraries as a national resource. Moreover, an ever increasing demand for information resources will not subside as the student population diminishes.

Deteriorating Collections. Another widespread challenge facing the nation's libraries is that of the physical deterioration of research collections. Studies by the

Association of Research Libraries, the Library of Congress and the New York Public Library have identified the scope of this problem to be astonishing in its proportions and almost overwhelming in its complexity. One researcher has projected that the books published in the 1st half of the 20th century will not be useable by the 21st century. Another projection based just on the New York Public Library's research collections has suggested that at least 50% of the Library's books are currently in need of preservation. The deterioration of paper and binding is just one part of the problem. Microforms, photographs, recordings, maps, and other types of library materials are also threatened with deterioration. Stop-gap measures like rebinding and microfilming cannot meet all requirements to conserve the intellectual and artistic content of library materials. Other measures must also be employed.

At the present time, numerous preservation programs are underway. In New York City, the New York Public Library has an active program to preserve its materials and New York University's Institute of Fine Arts in conjunction with Columbia University's Library School plan to research the various preservation techniques now in use. Other programs, such as those at the Library of Congress, the New England Document Conservation Center and Cornell University are also in process. Even in combination with similar noteworthy activities throughout the country, these programs are not sufficient to solve this vast problem.

Increased Demand. Fiscal pressures and technological priorities strain library budgets at the same time that demands to use resources increase. The major research libraries with 240,000,000 volumes have lent the users of other libraries in every state over 3 million of these volumes in the past year. During the same period, research libraries have borrowed only 500,000 items from other libraries. This service costs research libraries millions of dollars each year, dollars they can scarcely afford when services to their own clientele are being cut back.

Interlibrary loan is the primary mechanism by which library users expand their access to a wide range of materials not available at their local libraries. Since many needed materials are available only at large research libraries, these libraries bear the heaviest burden for lending. Some research libraries have responded to this excessive demand by charging fees, tightening restrictions on lending, and increasing turnaround time for delivering materials. Such responses reduce the availability of research materials which is hardly in the national interest. Though the problems and challenges facing individual research libraries may not cause them to eliminate programs to share resources with the research community at large, these problems may impair their ability to service a national network without the assistance of substantial external funding mechanisms.

NATIONAL PROGRAMS

The need to develop a national library and information system has been accepted as a solution to the complexities of reducing the unit costs of operating libraries. Such a system could facilitate the sharing of resources and eliminate wasteful and costly duplication of effort. Components of the system include automation, networks, the development of standards, preservation of materials, and national library services. At the heart of the system would be a national bibliographic data base that could be used by all the components of a national library and information system. This approach would satisfy local and regional needs by the most cost effective means possible.

As the framework for a national library system develops, new challenges collectively face research libraries. Certainly, if a national system is to emerge, a complex set of activities will need to be structured in a cohesive and effective manner. The many discrete, dispersed components of library services will need coordination and an infusion of resources in four major areas. Federal funds could be helpful in addressing these needs in a manner similar to the approach directed toward the individual research library.

Bibliographic Network Coordination. A number of computerized bibliographic utilities are rapidly generating millions of records which are being used in a variety of ways by diverse groups of libraries. Duplication and fragmentation have occurred resulting in a competitive environment detrimental to promoting the profession's goal of universal access to the human record. A cooperative and coordinated communications structure needs to be insured so that this goal can be attained. When addressing this issue, the needs of all types and sizes of libraries must be considered.

Bibliographic Records Standardization. Bibliographic communications and networking standards need to be developed and disseminated. Though some standards have been instituted, all bibliographic utilities have not adopted them. In addition, inter-network communication standards have not yet been seriously considered. This issue must be addressed immediately before interaction becomes impossible.

Physical Access to Materials. Prompt, efficient, physical access to materials not locally available is essential to effective service and to resource sharing. Interlibrary loan is the mechanism employed for sharing materials. Half of the materials requested are periodicals, many of which may not even be available from major libraries. Numerous distribution and inventory problems associated with periodical access force them to be the major element of physical access problems. A great deal of research has been undertaken to solve this part of the access problem. Recent discussions within the research library community have focused on establishing a periodicals center which could serve the entire nation. Such a center would provide an efficient, reliable, and responsive document delivery system; satisfy the copyright requirements of the publishing community; and help shape a national library system. Once established, the cost of the operation would be born primarily by its users.

Promotion of Preservation Efforts. Though a number of preservation efforts have been established in libraries throughout the country, these activities have not been well coordinated. A national program for preservation is needed. Priorities for such a program would be the identification and preservation of last copies of fragile materials and the development and demonstration of conservation techniques for those libraries in need of such assistance.

Strengthening existing library resources while encouraging and expanding the capacity to share these resources is the most efficient means of creating a national library system. Local libraries, regional systems, state agencies, the Library of Congress, the National Commission on Libraries and Information Science, the U.S. Office of Education, and numerous foundations have already invested heavily in the creation of a national library system. The federal government must continue to contribute to the system's development which is on the verge of becoming a reality. While the government cannot be expected to provide all the resources required to meet the challenges facing research libraries, it can add a significant contribution to solving problems that are truly national in scope and in need of national solutions.

Since the HEA II-C program has just begun, little opportunity has arisen to evaluate its impact. However, those libraries receiving funds, as well as many small college, public, and special libraries have supported the concept because it promises their users an ease of access to unique research collections and to distinctive information resources throughout the country. Efficient administration has also prompted the library community to recommend an extension of the program. The challenges I have discussed can be addressed through this program. I am certain all of them will be the subject of discussion at the upcoming White House Conference on Library and Information Services. It is likely that this forum representing both professional and lay interests will also urge a continuation of the HEA II-C program. As a delegate and judging from the reaction of the New York State delegation and reports from other delegations, I can confidently predict that the national delegation will endorse expansion of the program beyond its present $20 million authorization level. I hope you will respond to my testimony and the goals for action promoted at the White House Conference by extending this act.

In conclusion, I would like to thank-you for the privilege of appearing before the Subcommittee today and urge the extension of all the provisions of the Higher Education Act Title II, particularly the II-C program.

STATEMENT OF SUSAN K. SCHMIDT, HEAD, REGIONAL LIBRARY SERVICE CENTER, CALDWELL, OHIO

Ms. Schmidt. My name is Susan Schmidt. I am currently the head of the Southeastern Ohio Regional Library Service Center located in Caldwell, Ohio. The center is a field unit of the State Library of Ohio providing a variety of services to the libraries and residents of rural southestern Ohio. Prior to coming to Ohio, I worked at the Appalachian Adult Education Center located on the campus of Morehead State University in Morehead, Ky.

I am here today to speak for the American Library Association in support of the reauthorization of the Higher Education Act Title II library programs..I will be speaking specifically about Title II-B—library research and demonstration. Past research projects conducted under Title II-B have helped to improve library and information services.

Demonstration projects have explored new ways to provide information services to the disadvantaged. There have been studies which greatly added to our store of knowledge about the information needs and information seeking behavior of various ethnic groups such as blacks and Spanish-speaking people. For example, Title II-B studies in Baltimore and Washington State look at the specific information seeking behavior of urban resident. In Chicago, a Title II-B research project using community residents looked at the communication patterns of different Spanish-speaking groups such as Puerto Ricans, Mexican-Americans and Cubans.

Title II-B projects have brought library service to Native Americans by developing libraries on reservations. A 3-year Title II-B project conducted by the National Indian Education Association surveyed the needs and established, for the first time, libraries on reservations in New York, Arizona, Wyoming, and South/North Dakota serving the Mohawk, Navajo, Arapaho/Shoshone, Sioux people. A past project included the development of special information and referral centers in major metropolitan public libraries. Today, the Detroit Public Library serves as the central information and referral center for the city.

A few projects have examined ways of providing improved library services to rural residents. The Appalachian Adult Education Center project explored ways of interrelating various community service agencies with public libraries to provide services to the undereducated adult in primarily rural areas of the Southeastern United States. This began as a demonstration project to interrelate library programs with adult basic education programs in seven library systems in seven States.

The second phase of this project was a training program under the Title II-B training program. Finally, after 4 years, over 2,000 librarians, social service agency representatives, and adult students from 77 communities in 10 States had met and made specific plans to develop information services for undereducated adults.

I would like to place the summary of the final report of that project in the hearing record as evidence. Another byproduct of this project was the development and publication of 20 training guides on special services to the disadvantaged which are being used in graduate library schools, special workshops and by individuals.

As a Title II-B project, the American Library Association developed a manual, "Literacy and the Nation's Libraries," to help concerned librarians develop literacy programs. Many other adult education programs in libraries began as Title II-B demonstrations such as the college level examination programs (CLEP).

Title II-B projects have also explored the new computer technology. The Ohio College Library Network, OCLC, the leading online bibliographic system, began as a Title II-B project. Other computerized retrieval projects funded under Title II-B includes a special retrieval system for school libraries in South Carolina and cooperative cataloging centers—one in Atlanta which serves a number of small southern colleges and one in Indiana which provides access into the OCLC network for small libraries.

While the history of past Title II-B projects is impressive, there is a continued need for research and demonstration. There are new technological developments in the gathering, processing, storing and disseminating of information such as the use of mini- and micro-computers. There are also new advances in the telecommunications field such as document transmission which could have impact. As the country's information needs become more complex in order to cope in today's society, librarians must be able to use the new technology to meet these needs.

The special needs of rural people should be addressed. Great distances, poor roads, and often a poor local tax base have sometimes inhibited the growth of libraries. While great strides have been made, the impact of the new communications technology is only just beginning to be felt in some rural areas.

Research and demonstration is needed in the area of services to the handicapped, both physically and mentally. The demonstration of the application of advanced technology such as voice indexing for the blind is also needed.

Literacy has become a national priority. The National Advisory Council on Adult Education reported, at the beginning of the 1970's, that 54.5 million adults in the United States, who are 16 years of age and older and not enrolled in school, have not completed high school. The audlt performance level study out of the University of Texas estimated that two-thirds of the adult population have severe trouble in coping with consumer economics.

In a time when literacy is a national priority, it is hard to understand why the importance of libraries is often underestimated. School and academic libraries provide information and materials for the student. The public library can be a center for lifelong learning for the adult who has finished school or for the adult whose education was interrupted. Federal support is needed to encourage this.

In conclusion, to meet the needs outlined above plus others not mentioned, I urge this subcommittee to recommend the reauthorization of the Higher Education Act, Title II-B research and demonstration with an increase in the funding level. Thank you for the opportunity to be here.

[The full statement of Ms. Schmidt furnished for the record follows:]

Statement of Susan K. Schmidt, Head
Regional Library Service Center
Caldwell, Ohio
before the
Subcommittee on Postsecondary Education
of the
House Committee on Education and Labor
on reauthorization of the Higher Education Act
April 26, 1979

Good afternoon Congressmen. My name is Susan Schmidt. I am currently the Head of the Southeastern Ohio Regional Library Service Center located in Caldwell, Ohio. The Center is a field unit of the State Library of Ohio providing a variety of services to the libraries and residents of rural Southeastern Ohio. Prior to coming to Ohio, I worked at the Appalachian Adult Education Center located on the campus of Morehead State University in Morehead, Kentucky.

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In conclusion, to meet the needs outlined above plus others not mentioned, I urge this subcommittee to recommend the reauthorization of the Higher Education Act Title II-B Research and Demonstration with an increase in the funding level. Thank you for the opportunity to be here.

STATEMENT OF DAVID HESSLER, PROFESSOR, SCHOOL OF LIBRARY SCIENCE, UNIVERSITY OF MICHIGAN, ANN ARBOR, MICH.

Mr. HESSLER. Chairman Ford and members of the Subcommittee on Postsecondary Education, my name is David Hessler. I am a professor of the School of Library Science, University of Michigan, and a consultant at that institution.

During the past 20 years I have been deeply involved in many aspects of some of the Federal legislation we are dealing with today. I will be following my written statement but in a more loosely informal manner with your backing.

The Title II-B of the Higher Education Act, dealing with library training, is a people act. It is a program that I am most anxious to speak to because I myself am here today because I was able to obtain my doctorate through an Educational Development Professions Act grant and participate in NDEA institutes and also the GI bill.

So the Federal Government has had a very strong impact on my life. So I am glad to say thank you that it is possible.

But Title II-B is a Library Training Act that reaches some segments of our population that have not had a voice, they have not had the ability to speak up for themselves. I am speaking to the minorities and those who are also in need of financial backing. It is ironic that here, as we are facing the year of the White House Conference on Libraries and Technology, we are facing these cutbacks of funds that reach our people in many ways.

Title II-C is a longrun, long-term payoff. This particular act reaches the people almost dollar for dollar because there is no bureaucratic structure administering this type of funding It reaches the students and it reaches the colleges. The major benefactors are the some 59 graduate library programs and the students who are enrolled in their programs. The ultimate effect is that each of these graduates have an ability to reach many more people than can be reached through the initial application and the funding of the grant.

This a time when we need very critical and capable personnel as we face the new technological problems in our libraries today. We can have funds available for technology, we can have funds available for resources, but without the qualified people and without bringing in the segment of our society such as Chicanos and blacks and others so vital to the growth of these resources, Mr. Chairman, we simply won't be doing the job effectively.

Title II-B reaches many people in many different ways.

The cost of graduate library education is rather staggering. At the University of Michigan, for instance, out-of-State students, which make up better than 50 percent of our graduates in library science, find a tuition in excess of $5,000. This is just a few hundred dollars under our own medical school. This is rather staggering. Without both Title II-B grant and the support from the University of Michigan on some special funding grants these students would not be able to be there.

I have heard and been sympathetic to a great deal that has been told to me by our Title II-B recipients. The are grateful. They wish they could be here today to give your their voice.

Of the 41 doctoral candidates that have gone through our institution with Title II-B support, the rate of completion is now 90 percent. Ninety percent completed or near completion as opposed to 71 percent of those not supported. I think that is a rather impressive figure considering that the large majority of those 41 for instance are minorities. This is a very effective program in reaching this segment of our society but its longrun effect can only be seen over years. Just as I received grants many years ago, the effects of receiving that grant can only be seen in the several thousand students that I have had a chance to be some small touch in their lives over time.

I brought along today a short slide presentation that was part of the package developed for the White House Conference preparation programs, to the White House Conference being held here in Washington in November. This slide presentation is an attempt to give a very brief overview of different types of library situations in the United States, of which people comprise the most important aspect. The content that will be seen rather briefly speaks to every act that we have been talking about this morning; and act Title II, provision II, and II-B and II-A and Title II-C as well as several others that we are not discussing this morning.

So with your permission I would like to pull these blinds and show you this brief presentation.

[The film presentation and prepared statement of Mr. Hessler follow:]

OAK
WOODS
MEDIA

2243 SOUTH 11TH STREET / KALAMAZOO, MICHIGAN 49009 / (616) 375-5621

Producers and distributors of audiovisual presentations
Filmstrips
Slides
Multi-Image
Facilities Planning
Specialized Photography

Return to:
Dr. David Hessler
The Univ. of Michigan
School of Library Science
Ann Arbor, Mich
48105

Return

NOTE: PLEASE ADVANCE SLIDE TRAY TO NO. 1 (BLANK SLIDE) BEFORE STARTING AUDIO CASSETTE.

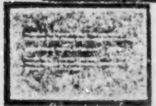
1. BLANK SLIDE

2.

Libraries are for People

MUSIC

3.



MUSIC UNDER AND FADE OUT...

4.

5.

6.

7

CHILD: Can you get me some books about the sea?

SCHOOL LIBRARIAN: Sure, what would you like to know?

CHILD: Oh, anything. I have to write a report about the sea.

SCHOOL LIBRARIAN: We have dozens of books on the subject. Do you want to learn about the oceans, their resources, where the various bodies of water are located or how they can be sources of food--?

CHILD: Gee, I never thought about some of those things. At my other school we only had three shelves of books and there was nobody to help me find anything. I guess I'll look up stuff about using food from the sea. Where are the books?

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8.

SCHOOL LIBRARIAN: Let's look in the card catalog together and I'll help you learn to use it. And there are some slides, filmstrips, tapes and photos about the sea.

9.

10.

NARRATOR: Many other audio-visual materials can be obtained from the Regional Education Media Center. The school library offers many children their first experience with libraries, while other children are introduced to the public library early. The purpose of all libraries is to serve the people who use them. The public library has an obligation to everyone, while other libraries serve special clientele. Today, professional librarians are taking a look at how all of these libraries can serve their users better.

11.

12.

13.

SERVICES
SHARING

PUBLIC LIBRARIAN: Our goal is equal opportunity of access for all. We need your help. We want to know what your library needs are. What services are important to you and your community? How can we provide them? We believe more sharing of information and services is part of the answer. Let's take a look at the full range of library service being provided today. Then perhaps together we can work out a plan to improve library service in all regions of this changing world.

14.

15.

NARRATOR: Today, professional librarians are being educated in areas such as audio-visual and computer technology in addition to the traditional library skills. Many librarians have one or more master's degrees; yet many schools and public libraries still don't have properly qualified libraries or adequate facilities.

CITIZEN: I thought all schools had libraries.

16.

17.

SCHOOL LIBRARIAN: Unfortunately not. However, students in some elementary and many secondary schools are lucky enough to work with a trained librarian, and learn to do research on their own and to use multi-media resources and equipment.

18.

NARRATOR: Ideally, the library is an extension of the classroom where students can use study carrels to read, view slides, or listen to tapes. Although entire classes often go to the library, more emphasis now is on individual library work.

19.

SCHOOL LIBRARIAN: In some schools, students produce their own slide shows, make tape recordings and create their own materials.

CITIZEN: Things have changed since I was in school.

20.

SCHOOL LIBRARIAN: Yes, librarians are becoming more involved in instructional decisions. We're teachers, too. We not only support the curriculum, we work with classroom teachers and administrators to plan the curriculum. But in order to work extensively with students and staff, we need clerical and technical support.

21.

Volunteers are a great help with routine duties.

22.

NARRATOR: Extra help frees the librarian to perform the professional duties of a media and information specialist.

CITIZEN: What you're describing sounds great; but I don't think my family has all these things available.

23.

NARRATOR: Where a person lives often determines the quality and variety of library service. Traditionally most public libraries have been almost entirely supported by local tax revenue.

24.

So they have tended to limit services to residents of their local school district or municipality.

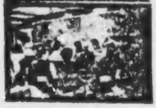
25.

LIBRARIAN: Many people don't realize, however, that books are available from other libraries on interlibrary loan or other cooperative sharing plans. If we don't have it, we'll get it for you from another library.

26.

27.

28.



29.

CITIZEN: My neighbor is hard of hearing. She loves to read; but she hesitates to go to a library; and she can't call the library for information because she can't hear. Do libraries offer special services for the handicapped?

PUBLIC LIBRARIAN: Yes. There are many special services for the handicapped. But very few public libraries can afford sign language interpreters. Yet we should all be installing equipment on our phones so we can communicate with the deaf. We've been getting braille books for our blind users from the state library for years and now we have talking books as well.

CITIZEN: One of my friends took a history course about the Civil War Period by listening to talking books.

PUBLIC LIBRARIAN: There are now seven regional libraries established by the State Library that provide for the blind and physically handicapped. But we must do more for people with special problems. Our services are expanding to the homebound, to hospital patients, and into prisons. More and more, people are discovering that the library is a source of lifelong learning.

30.

31.

FEMALE SENIOR CITIZEN: Folks from the public library bring books to us regularly. I'm learning Spanish from a book and records.

32.

33.

34.

35.

36.

37.

38.

39.

MALE SENIOR CITIZEN: I only had a sixth grade education in school; but I've studied everything from archaeology to rockets through the library. I read the newspaper there. I even check out magazines.

YOUTH: Our library has some neat exhibits. There was one on space last fall. Since then I've read seven science fiction stories. The librarian helped me find them when I told her how much I liked Star Wars.

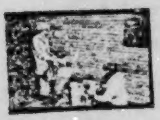
GIRL: I didn't realize until last year I could use the library to trace my family tree. I've been borrowing paintings and records from the library. I certainly couldn't afford to go out and buy all these.

YOUTH: Our library has special projects for teenagers. Last year I made Christmas tree ornaments and now I'm enrolling in a survival skills class.

CITIZEN: I found I can check out films to show at home or to my club. I showed one on organic farming to my garden club last month.

LIBRARIAN: Four regional public library film centers were recently set up in the state. We have films on everything from amoebas to zebras.

40.



NARRATOR: Many of these materials and services are more readily available because of the efforts of the Friends of the Library.

41.

PUBLIC LIBRARIAN: The Friends sponsor book sales and other projects and give the proceeds to the library for more books and equipment. They also act as volunteers and do a great deal of community work such as reading aloud to hospital patients and preparing tapes for blind readers.

42.

43.

CITIZEN: One of the new things our library offers is an action line information service. By calling the library we can find out all kinds of things. Like - where can I get free Yoga lessons? How do I get the bat out of my basement? What about the moles in my yard?

SECOND CITIZEN: I called the library to see who I should call about a tax rebate.

44.

45.

NARRATOR: The public library is the place to start when you have any questions or problems about anything--Like where to get your driver's license--or where to pay your taxes.

46.

YOUTH: I wouldn't have thought to ask the library for all those things. Hey, but what about people who don't live near a library?

47.

PUBLIC LIBRARIAN: Bookmobiles and books by mail serve these outlying areas. Materials can also be obtained from the State Library.

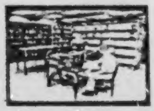
CITIZEN: Don't the college and university libraries loan a lot of material too?

48.

49.

50.

51.

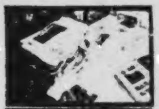


ACADEMIC LIBRARIAN: Yes, indeed. Although access methods vary, materials from state supported libraries are available to any citizen of the state. The chief purpose of academic libraries is to support the curriculum and research of faculty, students and other scholars in the colleges and universities. But they also provide access to materials for thousands of people through their interlibrary loan. Our university and college libraries contain many special collections, documents, maps and rare books mainly for the use of students and faculty. College and university librarians help users locate material as well as teach them to find their own information.

NARRATOR: In addition to college and university libraries, there are a variety of special libraries.

SPECIAL LIBRARIAN: In our technical and business libraries, we mainly serve our company employees. We do most of the information searching for them. This way we save our employees' time so they can be more productive for the company.

52.



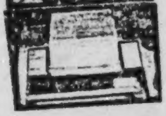
53.

BUSINESS MAN: One day I spent two hours trying to find information about a business competitor. Then I found my library has world wide directories of business and industry.

54. ✓

(55)

56.



SPECIAL LIBRARIAN: For our users in special libraries we often do what we call SDI (Selective Dissemination of Information). We keep our users informed of new materials in their field by doing computer searches for them.

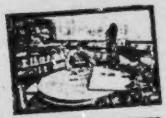
NARRATOR: Similar services are available at large university and public libraries.

BUSINESS WOMAN: Our librarian really helped me by pointing out some articles on the latest trends in food packaging.

57.

NARRATOR: Many people aren't aware that there are many kinds of special libraries--like those in art centers and museums, nature centers, churches and hospitals. Sometimes even members of these organizations don't know about these libraries.

58.



59.

60.

CITIZEN: But can anyone use these special libraries?

SPECIAL LIBRARIAN: Yes, many do indirectly. Not long ago our library had a call from a hospital emergency room. A patient had taken an overdose of a drug with a foreign label. We were able to give them enough information so they could treat the patient. Material in special libraries is often available through interlibrary loan and other cooperative arrangements. Some day there might even be a state wide catalog that would let us know what resources all the other libraries have.

SPECIAL LIBRARIAN: This would make sharing easier and help keep us from buying duplicates of material that isn't used very often.

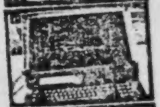
61.

NARRATOR: State and regional cooperative associations of libraries, called consortiums, are already sharing resources. Through the consortium, even small libraries can obtain the services of an interstate library center where much of the cataloging is done cooperatively.

62.

LIBRARIAN: The librarian uses the computer terminal to locate cataloging information which then is flashed on the screen. We'll be using even more terminals in the future. Eventually, answers to reference questions may come directly through the computer system.

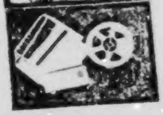
63.



64.

ACADEMIC LIBRARIAN: Now, in two minutes, I can do a search that used to take me two hours.

65.



NARRATOR: Technology is making it easier to share information. Most libraries now have microforms, which are inexpensive miniaturized copies of books, magazines and documents. They save storage space and shipping costs.

(66.)

STUDENT: If it weren't for microfilm I would never have been able even to see these documents form the National Archives that I needed for my thesis.

67.

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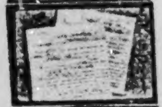
70.



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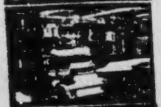

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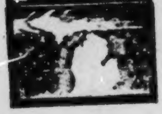


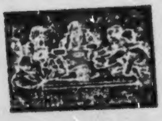
SPECIAL LIBRARIAN: Note how this index of material from the university research library fits into this small package. The original documents would take up four file cabinet drawers.

STUDENT: And microfiche and microfilm are easy to use.

PUBLIC LIBRARIAN: Another way we share information is through consortium infopasses which some libraries issue to their clientele. With this pass, the user can go to other libraries within the consortium and get the particular information needed for a project.

NARRATOR: Yet services are increasing. But there is still much work to do if we are to meet our goal of equal opportunity of access for all. Currently some libraries--particularly the large ones--loan many more materials than they borrow. These libraries need more money to help pay for the servcies they provide to other libraries.

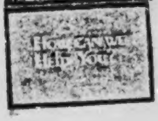
PUBLIC LIBRARIAN: In Michigan, Public Act 89, passed in 1977, established areas for development of regional public library services. State and federal aid to libraries has been increasing, but not nearly fast enough to meet the demands for service.

75. 

NARRATOR: We need people working together--sharing ideas and resources. Friends, trustees and interested citizens should meet with librarians and discuss how best to improve library services for everyone.

76.

77.

78. 

CITIZEN: How can I help?

PUBLIC LIBRARIAN: Let us know what library services you and your community need. The library is for the people and should offer services the people need and want. Our challenge is to make these resources available for all--including the culturally disadvantaged, the handicapped and the geographically isolated. How can we get library service to everyone? How can we help you?

MUSIC UNDER AND UP

79. BLANK SLIDE

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NOTE: ADVANCE SLIDE TRAY TO "O" BEFORE REMOVING TRAY FROM PROJECTOR

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Statement of David W. Hessler
Professor of Library Science
The University of Michigan, Ann Arbor, Michigan
before the
Subcommittee on Postsecondary Education
of the
House Committee on Education and Labor
on reauthorization of the Higher Education Act
April 26, 1979

My name is David W. Hessler. I am a Professor and media consultant in the School of Library Science at The University of Michigan in Ann Arbor. I also serve the School of Education in various capacities through the academic program in Instructional Technology and the media service program through the office of Educational Communication and Technology. In the past I have served as: Assistant Director of t[illegible]dio-Visual Education Center at Michigan; Director of School Libraries and Med[illegible]n Arbor Public Schools, Director of Instructional Services and Television at the University of South Carolina in Columbia, and as Associate Professor of Education and Co-Director of a joint library/media program with the school of Librarianship at Western Michigan University of Kalamazoo. These experiences are pertinent to my presence at this hearing.

My responsibility today is to speak in support of the reauthorization of Title II-B of the Higher Education Act, which has provided for "Library Training." I will be showing a fast-paced sound/slide presentation entitled, "Libraries are for People" to illustrate some of the complexity and diversity of questions and services in school libraries, academic libraries, public libraries and special libraries. It is hoped that both the audiovisual media and my written and verbal information will effectively highlight the urgent needs served by HEA Title II B.

It is ironic that we must plead to restore funding for library training and indeed support of library programs in general at the same time our states and territories are immersed in preparation for the White House Conference on Library and Information Services to be held later this year. A common concern of lay and professional groups in the state and territorial level meetings is the task of making our cultural wealth equally accessible to all. Resolutions being brought to Washington will stress the need for greater support at the national level to reach more people through greater variety and levels of service consistent with approaches which are more cost efficient and cost effective in the long run. But, the ability to provide the strong and open library and information system which President Carter supported in funding the White House Conference depends on the availability of skilled and effective librarians.

This is not a time when we need a proliferation of library schools and programs springing up everywhere, but it is a time when those programs with documented evidence of their capability need support to help their most precious product, the student. The quality of the applicants attracted to the library/information science profession has improved markedly in both scholarship and other such capabilities as communication skills, leadership, and imagination.

The most pronounced change brought about by Title II-B of the Higher Education Act has been the presence and success of minorities and economically deprived students in graduate library programs at both the masters and doctoral level. I have had the opportunity to work with library students and practicing library professionals throughout the country, and the need for greater representation of minorities and more opportunities for outstanding candidates hindered only by economic deprivation is obvious.

Active recruitment of qualified candidates becomes feasible when the barriers imposed by economics are reduced to a tolerable level. Fellowships awarded on the combined basis of potential and need eventually provide a positive and important impact upon the profession and the services provided. HEA II-B has brought opportunity for minorities and other deprived segments in our society to share in this goal of an information system accessible to all Americans.

The availability of the highly educated and very capable librarian is the single most important factor in being able to meet the present and future information needs of our society and further provide the quality service to all segments of that society. When I wrote the position paper on Technology for the Michigan White House Conference on Library and Information Services the most important consideration for effective and efficient use of technology was the educational support of highly qualified professionals for their basic experiences and continued growth. With your permission, Mr. Chairman, I would like to include that position paper for the record.

Every state and territory does not have an accredited library school because qualified programs need access to extensive resources and facilities, quality faculty and new technology. It is quite common for nearly fifty percent of a graduate library science class to be composed of out-of-state students. The tuition for the non-resident student in library science often rivals that of the medical school at the University of Michigan, but the career salary potential is modest compared with the medical professional. Without the funds of Title II-B many non-resident students simply could not have access to the library profession. The best single source of recruitment for librarianship has been word of mouth. Minority graduates have been invaluable in bringing highly qualified students from a widely dispersed geographical area. Title II-B funds ahve been the factor which has made the desired recruitment possible.

Minority students tend to have more financial problems than other students. This tendency coupled with the high cost of graduate school, makes continuation of the Title II-B program essential, since it is often the only source of financial assistance. Once in the program, fellowship students have a high rate of completion of the program, and jobs are available when they finish. The percentage of minorities in the library and information science field is still below the percentage in the total population. Demand by employers for minority candidates is strong, and our placement of these students is virtually 100 percent at both the master's and the doctoral level. One student recently had a choice of three firm job offers.

It is a pleasure and a responsibility to speak in favor of legislation in which the benefits are so concrete, so consistent with the goals of our society, and so completely necessary. Title II-B is a program in which each and every dollar reaches the intended aims. The priority for using our tax dollars must always be considered and the support of the Higher Education Act, II-B is consistent with high priority use. The dollars made available through Title II-B have an important and long range impact.

In conclusion, I urge the reauthorization of the Higher Education Act Title II-B training program, and I thank you for the opportunity to present my views to the Subcommittee.

Mr. HESSLER. The purpose of this brief audiovisual presentation was to say that libraries today serve a variety of clientele in a multitude of ways throughout the geographic distribution. We need qualified people. We need the support of the Federal Government in those areas where this group is speaking to you today.

Mr. FORD. Thank you very much. I appreciate the effort of this panel for the record here today. I have a couple of brief questions that I will ask.

First I will ask for volunteers to answer these questions. During all of my public service at the local, State, and Federal level, I have been somewhat surprised that there seems to be so much public support for libraries and library resources until it comes to appropriating money for it. It doesn't seem to matter which political party is in power.

Everybody talks a good game, but won't put money up for it. We have an authorization for Title II of $84 or $86 million. The administration this year is asking for no money for parts A and B and only $6 million for part C.

Why do you, from your perspective, believe it so difficult for us to get either the Democratic or Republican administrations or the Congress to appropriate money for these programs that you described as being so valuable and so needed? This committee has been convinced of that for many years because this committee is the one that has authorized these programs. But for some reason the people responsible for appropriations and budgets have not been convinced. Why from your perspective has this occurred?

Mr. HESSLER. I would like to respond to that, Chairman Ford. I believe the effects of these moneys being so diffuse and reach so many in so many ways that there is not the strong lobbying group, there are not the vested interests financially, there is not the payola and jobs and types of things where you would have a strong lobby.

This is money that does reach the people but in so reaching the people in such a diffuse way, it is very hard to organize to speak for the act. I am sure if you could go into the households and talk to library patrons, they would say, yes, I support it. But as everyone knows who doesn't work totally in this kind of operation and see the direct benefits, they are busy and committed to other tasks and I don't think they have the direct financial vested interest we see in a lot of other legislation. It is much more diffuse.

In my experience in working with the Elementary and Secondary Education and Higher Education Acts, and provisions of NDEA, well, as you know, the State of Michigan was one of the last to accept Federal legislative support of any kind in higher education and also public education. But the fears were set aside very readily because this legislation was so effective in terms of the dollars reaching the aims for which it is set forth without a bureaucratic structure developed.

But this very fact is what weakens the attempt to lobby support for it. I think in part that is part of the answer. Some of my other colleagues would like to respond.

Ms. Turner. I think traditionally librarians have been a quiet, mousey group who have been willing to work for low wages and they have been the ones that towns and cities have loved, but nobody cares about increasing their wages. And they haven't been glamorous and militant. And they have gone on quietly doing their jobs without anybody really noticing them in public.

I am Ann Turner from Vermont.

Mr. Ford. Vermont is much different from Michigan.

Mr. Rochell. I am Carlton Rochell from New York University. In the past I was director of the Atlanta Public Library and have worked across the spectrum of libraries. And I think one answer to the question is, and I agree with my colleague in terms of the amount of service that reaches the people, that many public libraries in this country started out as Carnegie gifts, as you know, or at least they got a big push by grants from Carnegie.

In my section of the country for many years libraries were somewhat privately supported. I know from stands this committee has taken that all of you agree with us that libraries are just as vital as schools and parks and other government services. Over a period of years, however, people failed to recognize that libraries have moved from small, simple, semiprivate clubs to very complex enterprises. It is a public obligation in a democracy for people to know and to be informed, and libraries are the vehicle that this country accepted for the informing of the people.

At this point, just as we have gone about creating the National Endowments for the Arts, and the Humanities and so forth, and just as we have put a national stamp on the importance of preservation in a very visible sense, we need a national plan for libraries. And it is very hard through the constituencies that we have to get that word back out to the people that count; namely your colleagues and people at the local, State and national government levels. A lot of us who have tried to deal with public relations and push the libraries forward, particularly in local government, have been more or less stumped. If book censors come in and start burning the books off the shelves, everybody would get excited and you would have a hue and cry. But if those self-same books self-destruct because of lack of support, it is very hard to get people to pay much attention. We are trying to find ways to call attention to the predicament but it is a problem.

Mr. Ford. It would appear from the presentations this morning that the difference between large college libraries and the small college library reflects itself in the positions which you take with respect to the relevant parts of Title II. That is not very hard to understand. I wonder if that has the effect of dividing the library community while you try to snatch the end of the bone closest to you at the expense of taking it away from somebody else who is more interested in a program that impacts more heavily on them. I notice speaking as a large library, for example, you are interested in expanding II-C and you made the suggestion there ought to be an enactment of II-D in the face of the fact we are looking at zero funding for II-A and B; while, as one of the early witnesses pointed out, to the very small libraries and to the private institutions, the relatively small size of these grants notwithstanding, they are vital to the continuance of their operation.

Now the suggestion has been made this morning perhaps one way to approach this would be to concentrate the limited funds in a better way by establishing a need criteria. Mr. Bishop suggested that. Do you have in mind a specific way in which you would go about defining a library with a need as distinguished from one without a need?

Mr. BISHOP. It would appear that the most reasonable or a reasonable way to deal with that as was in my written statement, is, to establish a percentage; so, that if a library's materials budget is above a certain amount, that institution would not qualify for Title II-A.

Mr. FORD. Now wait a minute. If whose budget for materials?

Mr. BISHOP. If a particular institution's budget was, for example, in excess of $150,000 or $200,000, then it would not qualify for Title II-A.

Mr. FORD. All right now. You would use the size of the library rather than the need of the library? What assurance would we have that a school with $150,000 budget was having an easier time getting that $150,000 than one with a $20,000 budget?

Mr. BISHOP. It would appear that if one looks at Title II-A and Title II-C together, that Title II-C is a program which provides a national resource.

Mr. FORD. In very few places?

Mr. BISHOP. Yes. And many of the present II-C grants are involved with making those resources available to a large number of users. So that in terms of building this national resource, Title II-C is addressing that. But it does not address providing for the immediate basic needs of smaller institutions.

Now in terms of the survey and the work that we have done in looking at this, it would appear that the present Title II-A grant for large institutions, those with book budgets in excess of $150,000, is not a particularly meaningful program. We know for smaller institutions it is extremely meaningful.

The Association for Research Librarians is investigating the possibility of recommending that its members be excluded from the program in order to make more funds available to the smaller institutions. Now in terms of determining need I grant you this is a very difficult problem. The concern we have is that Title II-A will become too narrowly focused. I am concerned that if it becomes so based on need that only a very few institutions qualify, it really will lose a great deal of its effectiveness. I think more than basing it on need what would be effective would be to limit the size of the institution at which it is focused.

So maybe "better focused" would be more accurate than "need."

Mr. **Ford**. You are not concerned, if we isolate the small libraries from the libraries at the more prestigious institutions, that funding will be even more difficult? For some reason the relatively small number of institutions that participate in C had a consistently better record in convincing the Congress and different administrations that they should be funded, which indicates in this area they seem to be exerting a great deal more clout than the thousands of libraries. That is kind of an anomaly, isn't it?

When you consider the geographic distribution of the House of Representatives, it doesn't make sense that small local institutions of any type ought to be able to outshout, if you will, the larger number found in virtually every congressional district in the country. There is something here at work that indicates that maybe what was said about Vermont might be more widespread than I had suspected.

How many college librarians are there in the country?

Mr. **Bishop**. Do you mean directors of the libraries?

Mr. **Ford**. No, people employed as professional librarians in colleges and universities?

Ms. **Turner**. I don't know but I think that——

Mr. **Ford**. No one knows within 10,000? And then obviously, no one has them on a list like The Right To Work Committee or anybody else so he can effectively use them as a lobby. I was wondering what would happen if the *x* thousand librarians in the country were to all write one letter to their Member of the House and make one phone call, not a long distance call, but a short call to the local office of each Member of the House and tell them they were concerned because the budget was not providing any money for libraries. That is an individual expenditure of 15 cents for a stamp and 10 to a maximum of 20 cents for a phone call. That, it seems to me, would just boggle the minds of the people who are out here ignoring us.

But if you don't know how many there are, you obviously don't have a list to ask them to do that with.

Mr. **Rochell**. Mr. Chairman, I would like to comment on one statement you made about dividing the library community to get what we want as research libraries. I think you will find in my written testimony that I point out that Title II-C when it was adopted enjoyed very wide support from across the whole spectrum of the library community. I have certainly not discerned that there is a divide and conquer situation at work here in any segment of the profession or our services.

The other thing I might say is that the overwhelming portion of Title II-C money that has been awarded to date has gone toward resource sharing and not toward an institution's selective clientele if you will.

Mr. **Ford**. Let's have no argument about the wisdom of II-C and the need for II-C. That is not the issue.

Mr. **Rochell**. Well, the other thing——

Mr. **Ford**. The issue is whether you are going to take yours and run with it and leave the other little libraries fend for themselves.

Mr. **Rochell**. I am speaking to that.

Mr. **Ford**. Because your statement says you are speaking not only for your institution but for the American Library Association. And I am surprised that their position would be to separate out one of the categories. And clearly we intended to deal differently with the categories. I am going to support Title II-C in spite of the fact I look at last year's allocations and discover we didn't have a single prestigious institution in my State that got a grant. Now that is kind of shocking to me.

Mr. **Rochell**. The other thing I point out is such things as an effort toward the National Periodical Center and the developments coming out of II-C. The library profession generally knows these are of benefit to all of us; the rising tide raises all the boats. That is the only point I made.

Mr. **Hessler**. I have some data for you from a document wherein to the Subcommittee on Postsecondary Education, 1975. At that point in time there were 2,000—roughly 2,400—institutions of higher education and nearly 14,000 academic librarians. I would assume it would be between 14,000 and 15,000 academic libraries. That is really a drop in the bucket numberwise compared to when Hubert Humphrey talked to us as educators 12 years ago and said if every teacher in the land would write one letter, you would have the strongest lobby in the United States.

That is true, but to try to get that diverse group organized is not an easy task. And libraries face the same difficult task even though there numbers are much smaller.

I would like to reiterate on Title II-B, dealing with training, that the State of Michigan has been very instrumental in the training of Title II-B applicants. And I would also like to state that over 50 percent of those applicants went to other States. I think this is significant.

Mr. **Ford**. Well, I just observed to the ranking minority member that Alabama doesn't have any prestigious institutions either. I can see they are really responding to need when I see for the University of Texas there is $250,000 for acquiring 8,500 volumes of Latin American materials and to catalog and enter them in a national data base to convert existing titles to machine readable form, et cetera.

Their foundation is about to exceed the largest foundation you have in this country at Harvard. When this committee was there last fall I had explained to me in rather direct terms that the 1,200,000 acres that the university owns is producing $8 million a month in revenues from gas and oil wells.

Eight million dollars a month that can be spent on the University of Texas campus for improving academic excellence—they don't buy books down there. They buy writers and put them in residence to write books. And with these scholars we give them $250,000. I am just trying to take a look at this. II-C looks to me like it has to have a little work done on it. Now obviously there is not a very objective set of criteria at work now that determines where need really exists. It looks to me like it is successful grantsmanship that is at work here. The administration's testimony presented by Mr. Califano was very strong on the point that this section ought to be strengthened and the libraries having regional significance ought to be strengthened. I don't think anyone on the committee disagrees with that. But something might be lacking here in terms of the way in which these scarce resources are being passed out to have maximum regional impact.

When you talk about the other programs in A and B being so insignificant, they mean nothing, $250,000 to the University of Texas wouldn't even buy the cigars they throw away on Monday morning. It is just ludicrous. And something has to be done. Presumably if we are going to talk about real need here, something has to be done to make all of these programs respond to need.

I would invite the members of this panel and the others in the room to do what we have invited every higher education group in the country to do. Tell us what you would like to see the statute say. Don't tell us that we should heat up the ocean but tell us how to do it, and we will be happy to consider it.

The need for at least examining this kind of change is apparent, but we can't deal with generalities. You give us a politically responsible and justifiable position that will target this money in the places where it is most needed, and I think this committee would be responsive. And I suspect that if you could demonstrate that this targeting was working, that we would have a better chance funding it. But if I went before the chairman of the House Appropriations Committee and tried to justify this $250,000 grant to the University of Texas at Austin, he would laugh at me.

Mr. **Rochell**. Mr. Chairman, my library has applied 2 years running for a grant under II–C and has been turned down. But I would like to defend, from what I hear you saying, the grant to the Southwest, namely the University of Texas, based on the criteria that exist.

First, that there is a regional balance portion of the act. Second, there is the provision that we are trying to build on the strengths that exist. This portion of this act is extremely important where the University of Texas is concerned, since it is putting several thousand records of unique materials into a national data base. Mr. Chairman, that means that those materials are going to be accessible to the rest of the Nation. And that is part of what the act was for. It is important to recognize the purpose of the act. And I think to that degree those two criteria have been met; namely, regional balance and resource sharing.

Mr. **Ford**. I am happy to see there was a small grant to a State represented by the chairman of the Appropriations Committee on the Senate side. That makes up for the fact that the chairman on this side is totally neglected.

Distribution, in terms of our finding great interest in local lobbyists, is not very encouraging. And I don't want to pick on Title II–C, but I am afraid we are being heaved off by the Office of Management and Budget and that the people in the library field are going to follow down the road that is being followed by some other people in education.

In dealing with the pie that is too small to feed the family, we are all trying to grab our own piece to the exclusion of compromising and seeing that everybody gets something. We are going to be locked, in the next few months, in one of the worst fights for money for education that I have seen here since the beginning of the Nixon administration. In some ways, it is far worse because we are fighting our own Budget Committee, that is coming in with a budget that is below the President in some regards. And we are now stuck with the Budget Act and with what appears to be the overwhelming public opinion for a balanced budget, whatever that means.

And at the same time we have our friends from Mississippi asking for some help from the floods and some other States that are concerned about what is going to happen to the people wiped out by the tornadoes. And as of this morning, notwithstanding everything else we have done, we have a request for about $2 billion in emergency aid just for natural disasters that have occurred since before the Easter holidays.

That isn't in anybody's budget but obviously it will have to be found someplace. And I am afraid that some will come from education programs. So we are going to need all the help we can get. And if librarians in some parts of the country are not complaining, it is time for them to start complaining. I have seen them in Michigan turn the entire State around when they got excited about what was happening. And I believe it can be done nationally as well.

I have one more question of Mr. Rochell. You mentioned the potential part II-D and you had something specific in terms of research and development. What would your II-D do that is not now authorized by A, B or C? What new element of R. & D. would you like in there?

Mr. ROCHELL. Well, with II-D specifically I qualified that by saying I was wearing the Association of Research Libraries' hat on that particular recommendation. But we have had a great deal of study to date on solving the problem of periodical literature in this country; namely, that we need a means of selecting, storing, and being able to disseminate periodical literature at an economical rate, while paying due regard to copyright. Mr. Chairman, we need to establish a body of unique periodical literature and a clearinghouse to serve all types of libraries and their various users. This is not just a research library problem. One reason I suggested a new title is that it does not fit into, say, a Title II-C or II-B. It is a national problem and it affects every size and type of library in this country. We have done a great deal of work and study toward such a concept. I am suggesting at this point that perhaps the most sensible approach to the problem might be to isolate these national concerns that no local State or regional effort can deal with an treat it as a national problem as indeed it is.

[Mr. Rochell agreed at this point to forward additional testimony, which follows as a letter to Chairman Ford:]

May 8, 1979

The Honorable William D. Ford
Chairman, Subcommittee on
Postsecondary Education
U.S. Congress
619 House Office Building
Annex #1
Washington, D.C. 20515

Dear Sir:

As I had indicated when I presented testimony to your subcommittee on the Higher Education Act - Title II-C, I am elaborating below on the question you raised in my testimony concerning the need for a National Periodical Center through the Higher Education Act, Title II-D. I hope you will include this more comprehensive response in the official record of the hearings conducted on April 26. I also hope you will recognize the importance of such a center and support the library community in seeking legislation to establish it.

Assuring access to periodical literature is one of the most serious challenges facing research libraries today. During the last 15 years, the cost of books has risen 116% while the cost of periodicals has risen an unpredented 279%. These increases have meant that libraries have been forced to reduce their purchasing substantially and modify their allocations as to maintain their subscriptions to periodical literature.

While prices have been skyrocketing, access to library materials has improved, increasing the demand for all types of materials. To accommodate this increased demand economically, many libraries have relied upon local or regional consortia or networks to borrow and lend items. Over 12 million such interlibrary loan transactions were processed in 1976, almost half of which were periodical articles.

A number of problems surround the loaning of these periodical articles. High costs force libraries to limit their subscriptions; lost issues, a frequent problem, can rarely be replaced since publishers tend not to stock back issues nor do they reprint them; and pages are often torn out of articles of high interest. These and similar problems hamper the reliability of a library's periodical records which, in turn, creates great problems in the interlibrary loan process.

Since the periodical is the single most important document medium for communicating research results, the problems of access to these materials have received a great deal of attention. Considerable study has confirmed that the best method of improvement is the creation of a single, comprehensive periodicals center on the national level. The center would be established as a nonprofit agency relying, for the first few years, on federal subsidy. Through a comprehensive collection of periodicals, the center would assure the permanent availability of materials in its collection. While existing libraries would be relied upon for most loans, the National Periodical Center would serve as a backup for fast, reliable service. Costs for service would incorporate copyright fees, thereby compensating publishers for fair use. The results of establishing such a center would be reliable and timely document delivery from a comprehensive collection of periodical literature which would complement and augment local, regional, state and other periodical resources and contribute to the preservation of periodical materials.

In sum, a National Periodical Center would be established in conjunction with other federal library programs that are aimed at improving access to the nation's research resources. Such a center is indeed needed because of the vagaries associated with periodical access. A comprehensive, pristine collection of titles would be maintained by the center in order to guarantee an efficient and reliable system of document delivery for all the country's library users. Since periodical literature is the major medium for communicating research results, it is in the national interest for the federal government to assure access to this literature for all its citizens.

I hope, therefore, that your subcommittee will act to establish Title II-D of the Higher Education Act in order to implement a National Periodical Center.

Sincerely,

Carlton C. Rochell
Dean of Libraries

CCR/nh
bcc: John Lorenz
Eileen Cook

Mr. **Ford.** Thank you. I am going to yield to Mr. Buchanan.

But as I am sitting here, I am thinking of a conversation we had the other day when this committee was in Peking and had the opportunity, after 2 or 3 days, to talk to a variety of people in the government about their educational system. It became apparent that we were getting political responses at many stages aimed at the so-called Gang of Four and the cultural revolution and what they had done in 10 years—that that is totally responsible for the very backward position of education in that country.

And I had more than a half hour of discussion with him to discover how backward it is and how far they really have to go to catch up with the rest of the world.

But in the course of discussion 2 days ago with the committee and staff talking to the Minister of Education, we heard his criticism of what the Gang of Four had done to set back the educational system. One of the items he picked out was that they let the condition of textbooks and library materials diminish to the point that he felt it was going to take years to get the supply of books back to the point where they would begin to be able to do the things they had been describing to us they were going to do to modernize their educational system,

It was important that he thought an absolutely essential element in updating their educational system was replenishing and improving their library resources.

Having said all of that, he then said it would take a long time because it would be very difficult to get money for library books from the government. So, even in Communist countries nothing changes.

Mr. Buchanan.

Mr. **Buchanan.** Thank you.

I cannot resist saying I am not overwhelmed with the regional balance. We have one token university from the entire eastern seaboard and southeast—Duke—which is a fine university, and 26 miles down the road at the University of South Carolina is a wonderful library, not to mention all the other institutions in the Southeast like in my own State.

And there are a few other institutions in the southwest other than the University of Texas. So, I am not overwhelmed with regional balance.

Mr. **Rochell.** I think as the chair says, there is not enough to go around.

Mr. **Buchanan.** But if you look at where the dollars and grants went, I would say that, even so, there is a substantial concentration in certain places. Anyway, that is neither here nor there. You did not make those decisions so I will not debate the matter with you.

I do share the chairman's great concern. I think one of the problems is simply there is such a little bit of money. I think the worst thing that OMB has done in the whole matter of austerity programs is to take small programs that are of substantial value, like II-A and II-B, and just knock them in the head for no real budget savings.

As well as I can figure, this would amount to 0.002 percent of the budget, which is just nothing in terms of budgetary savings. Yet, Ms. Turner, you make an excellent point: If you have a book budget of $32,000 and you receive $3,963 from the II-Agrant, that is a very substantial portion of your budget.

Ms. **Turner**. Yes, it is.

Mr. **Buchanan**. Ms. Turner, I ought to say we have a valuable member from your State on this committee, Jim Jeffords, who would have been with us this morning, but is on committee business in Arizona.

Now, first, let me ask Ms. Turner or Mr. Bishop, the majority of the institutions in this country, as you mentioned, are interested in seeing a need-based criteria under Title II-A. What specific recommendations do you have in this area? What factors would be good and equitable indicators of need?

Mr. **Bishop**. I think that the one thing that we need to avoid, as I said before, is that we define need so narrowly that we reduce the number of institutions receiving grants to 200 or 300 most needy. I think that Title II-A has to be regarded as general support for junior and 4-year colleges.

It would appear that the best way to determine need or to determine eligibility is by the size of the materials budget. We looked at a number of different ways of evaluating the size of libraries. We looked at total budgets, we looked at enrollments, and we looked at materials budgets and felt that materials budgets were the most reliable way of classifying institutions.

We need to try to avoid a system which requires a great deal of bureaucracy to administer. This is an extremely vital program for the institutions with book budgets of under $150,000, and we could focus it better by restricting it to institutions of that size and smaller where it really does some good and where it really has an impact.

I would also like to say that I think Title II-A and Title II-C are definitely complementary programs. I work with a legislative network which initiates letters to Congress on particular issues, and a great deal of the initial support for Title II-C came from librarians from small institutions.

They saw Title II-C as a very definite need. I think Title II-A and Title II-C form a coordinated program with national resources developed by Title II-C, and materials for individual institutions provided by Title II-A.

Mr. **Buchanan**. Does anyone else have a comment on that question?

Ms. **Turner**. I think the reason that we are not violent about this is that both the small and large libraries need each other. I would hate to see the large libraries deprived of funding because I need them. There are a lot of times we have advanced students and faculty, and we do use their resources.

Mr. **Buchanan**. Ms. Schmidt, the statute stipulates that not less than 50 percent of the grants made under the research and training section should be used for fellowships or traineeships. Do you think this accurately reflects the current need? Should it be increased or decreased, and should there be a preference for institutions using the fellowships for minority students?

Mr. **Ford**. Could I add a part to that question?

I am operating under the assumption that that fellowship program, although small, has probably been dollar for dollar the most successful method of including minorities into professions that we have in terms of any Federal program with that as an objective. Is that an accurate appraisal?

Ms. Schmidt. Yes, I think——

Mr. Hessler. I concur in that at our institution, the University of Michigan. This program has more than doubled the percentage, from 4 percent to 10 percent of our graduate enrollment is Title II-B recipients: minorities, Chicano, black and other deprived groups, American Indian even.

Ms. Schmidt. I support that but I also feel that the Title II-B research and demonstration is one of the last areas of research and demonstration specifically for libraries, and I would hate to see it diluted. There are other groups that need to be studied and other methods. And the new technology is growing and growing, and these areas need to be demonstrated so that they can be replicted.

But I do support the fellowship program and see a need for an increasing number of minority libraries.

Mr. Hessler. In my hand here is a flier for the school library media services, for handicapped students in a mainstream environment; a joint cooperative venture under Title II-B, an institute, sponsored both by Jackson State University, Jackson, Miss., and the University of Michigan.

The major factor that is bringing those two institutions together is one of our minority students, Rosetta Buckey, a student of mine 2 years ago. The interplay is so evident everywhere.

Ms. Schmidt. To repeat an example that I mentioned in my testimony, the Appalachian Adult Education Center project began as a demonstration project which was then replicated as a training project and was replicated many times over. So the two complement each other.

Mr. Hessler. Almost in responding to that, it is like saying, do you want to lose your left arm or right arm, the two are in such bad need. I find myself really split right down the middle because I am involved in the institutes, and I am involved in working with these graduate students.

I know what they mean to both. The institutes reach a different clientele, the practicing professional. The fellowships reach the people who will become a practicing professional. I do not know how you separate them. They are both vital. If anything, I cannot see a lessening of need for this act and, if anything, a greater need is reflected.

And it is one that does impact on large segments of our population in ways we cannot reach any other way. And I do not know much Federal legislation which does as effective a job in the long-run of reaching so many people.

Mr. Buchanan. Mr. Bishop, you referred to the effectiveness of the OCLC, the shared computers by so many small institutions. What specific services does this provide and would you elaborate on that for us?

Mr. Bishop. Yes. The OCLC system provides an on-line record for each book that has been cataloged by a member of the network. I think that there are over 1,400 institutions that belong to the network. Attached to each record are location symbols that show which libraries hold it.

In the past, a person interested in a particular book would tend to assume that the Harvards or the Michigans or the Chicagos would have it and would go there.

With the OCLC system one can look at a computer terminal and find out exactly what institutions hold the item and can borrow from an institution that is close by. So, OCLC has really done a tremendous amount to spread interlibrary loan use and allow smaller institutions to cooperate with one another.

Ms. SCHMIDT. In support of that in the area I am working now in southeastern Ohio, my regional library service center owns a terminal. And we can provide that service of searching and locating materials for 17 libraries in our area that cannot afford that kind of a service.

By sharing, we can do it in a central location. So, that it is filtering down to smaller libraries. They have access to this nationwide network.

Mr. HESSLER. Just as an example, the very small city of Portage, Mich., has a public school system participating in this like OCLC and so it is filtering down.

Mr. BISHOP. OCLC is presently implementing an interlibrary loan system which will automatically switch requests from library to library. With this, one can request a particular book and the system will move through the location symbols requesting the book. If it does not get it within a certain number of days from the first institution it will move on to the next and so on.

Mr. ROCHELL. Just to close the circle fully and again without regard to regional balance, the grant to the University of Texas was to put those records in just this kind of system for sharing by everybody.

Mr. BISHOP. In this exact system.

Mr. ROCHELL. Exactly.

Ms. SCHMIDT. And OCLC began as Title II-B demonstration project. It was one of the first funding sources for OCLC 7 or 8 years ago.

Mr. HESSLER. And much of the trained people operating the system are the people under Title II-B.

Mr. BUCHANAN. I think maybe I ought to quit with that question.

Mr. FORD. I want to thank the panel once again for your assistance in the building of this record and make one more pitch for you to do a little lobbying for us. Yesterday the Post Office and Civil Service Committee reported H.R. 79 to the House for passage. H.R. 79 is entitled "The Postal Service Act of 1979."

We passed similar legislation in the last Congress, and I attached to it at that time a section that dealt with the special rate, fourth class library rates, with particular attention to libraries to deal with some penny pinching that has arisen with the Postal Service putting a narrow interpretation on language I put in the law several years ago to broaden the eligibility for use of this postal rate so that catalogs, bibliographies, other kinds of materials are now mailed separately.

And we figure the Post Office is wasting more money with five clerks standing around figuring out what something is than it would cost to take everthing the library sends and give them the same low rate.

When it passed the Congress last year, if you go back and look at the committee report, OMB signed off and said such a small cost, when weighed against a possible savings, probably would wipe itself out and have no budgetary impact. Again, this year they said nothing about the bill when it was moving until about 2 weeks ago when we were finishing the hearings. Out of the clear blue sky the representatives of the U.S Postal Service said we oppose the bill because of including Section 7.

Their reason was that it would "cost tens of millions of dollars in lost revenue to the Postal Service to extend the special fourth class library rate." Ever since then they have been searching for some basis for that statement but have not found it.

So, the committee passed the bill, I think, unanimously yesterday—and no one bothered to touch this section. But it is apparent that if they really believe that, there will be an attempt to drop you out of it.

So, I hope your legislative network will not concentrate entirely on what this committee is doing but also take a look there. If it will cost tens of millions of dollars, it is a lot more money than we are getting for libraries any place else. I am prepared to make the argument that they were right before but changed their minds and they cannot make a case for it costing tens of millions of dollars.

We found, for example, they are interpreting the rate as a one-way street, but when the book is going in one direction, it can go with a low rate but when it comes from the other direction it cannot. And can you imagine the number of clerks it takes at $9 an hour to figure out which direction the book is going at the Post Office?

We are trying to give them some efficiency and at the same time give a little better break for libraries because we are very conscious of the cost to you.

In your audiovisual presentation, you talked about people in remote locations having access to library resources.

Mr. HESSLER. Tying in with that——

Mr. FORD. Now that is what we were telling the Post Office in the first place.

Mr. HESSLER. I was assistant director of the Audiovisual Education Center a few years back. And the film library from the University of Michigan serves the entire Nation. Without the preferential rate for films that would have been an impossible venture.

Literally that $4 million collection of films reaches somewhere in the neighborhood of 1½ million people in this Nation because of that preferential rate.

Mr. FORD. I will tell you this: You do not owe anything to the people in education for that break you are getting. That was the commercial recording industry that lobbied that provision into the Postal Rate Code. And we had to face Mr. Gross on the floor with records and all sorts of things.

But they had a very effective lobby, which has helped the libraries enormously. We sort of hitch-hiked on their enlightened self interest. We have the book publishers, for example, working very hard for this piece of legislation now coming out of the Postal Committee because they are accustomed to lobbying in that committee and to lobbying for the issues before the committee.

But I am not at all sure that the people that you represent realize that there is a substantive benefit involved in that kind of legislation for their institutions and that they have an interest. If any of you are interested in helping us stir up support for not taking out the library provisions when the postal bill gets to the floor, we would be happy to tell you exactly what it is and how to approach it.

And I want to thank you once again and call our next panel.

[Final Report, 1973-1976, Non-formal Library Training Institutes, follows:]

FINAL REPORT

Grant Number: G00-75-00805 (468)

Project Number: 468AH50136

Expanding Public Library Services To Disadvantaged Adults

George W. Eyster, Executive Director
Appalachian Adult Education Center
Department of Adult, Counseling, and Higher Education
Morehead State University
Morehead, Kentucky

Project Year: July 1, 1975–June 30, 1976

Submitted: August, 1976

U.S. Department of Health, Education, and Welfare
Office of Education
Office of Libraries and Learning Resources

APPALACHIAN ADULT EDUCATION CENTER

Executive Summary

NON-FORMAL LIBRARY TRAINING INSTITUTE SERIES: 1973-1976

INTRODUCTION:

The Appalachian Adult Education Center (AAEC), Morehead State University, was the recipient of THREE separate federal grants awarded by DHEW, Office of Libraries and Learning Resources, for the conduct of library training institutes.

The general PURPOSES of the AAEC Institute Series were: (1) to expand public library services to disadvantaged adults; and (2) to improve practices in the coordination of library and basic education services.

The AAEC Institute Series was *non-formal* because it involved non-credit, voluntary training provided on-site to the entire library staff involving persons from a variety of social service agencies and the community.

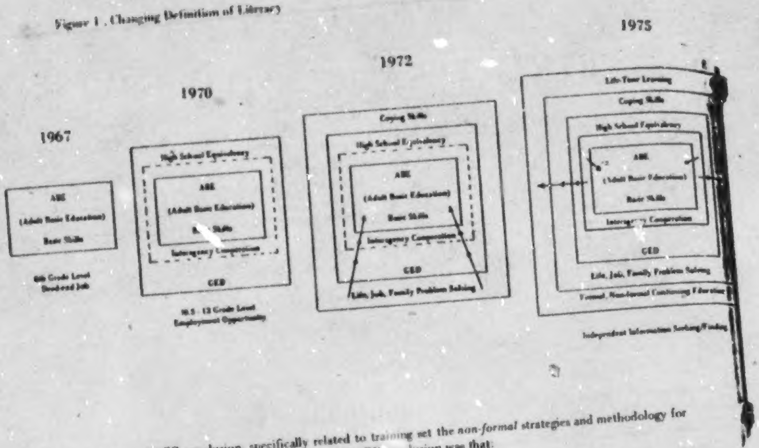
The development and design of the institute series was predicated upon the multiple (108) demonstration research and training projects of the AAEC related to the improvement of practices in adult education over a seven-year period. Three major conclusions ultimately focused the Center's attention upon public libraries:

(1) **Adult new readers, products of the massive national adult basic education program, were leaving programs without direct linkages with—or even recognition or knowledge of—those institutions through which they might practice new skills and resolve information needs.** The new reader, rising almost always from poverty, is also the person most unlikely to have money to purchase needed information. The public library, a ready free source; is, however, an un-used foreign place to the client needing help the most—the library need not be un-used or a foreign place.

(2) **Interagency cooperation and collaboration does not occur naturally.** The reasons that inhibit and prohibit cooperation are varied and are not simplistic. The interrelationship between public libraries and adult basic education programs was viewed by the AAEC as an essential but non-existant national objective. Furthermore, the AAEC was convinced that persistent failures to advance interagency cooperation—an objective which had permeated all previous demonstration activities—indicated the need to study the constraints. Because of the nature of the problem identified in (1) above the AAEC chose to study intense collaborative efforts between just two institutions, public libraries and public adult education programs.

(3) **The AAEC view of functional literacy was constantly changing as it was changing in the United States.** The AAEC thought, closely paralleling that of the Adult Performance Level Study, APL, and Project Newstart of Canada, had begun to focus attention upon expanding definitions of literacy. Figure 1 illustrates the changing philosophy of literacy in which the AAEC became a proponent of the teaching of the *application* of the adults developing skills to their everyday individual problem solving. This exploration indicated two related priorities: (a) the development of the concept of end instruction in life, job, family coping skills, and (b) the necessary interagency liaison to accomplish the first priority. When cooperation is achieved between the two agencies, public libraries and adult education programs, public libraries must be prepared to appropriately serve the new reader when he appears. That service must include those kinds of materials related to *functional* literacy—coping skills materials—required by clients in the application of newly acquired skills in meeting information needs.

Figure 1. Changing Definition of Literacy


1967
ABE
(Adult Basic Education)
Basic Skills
6th Grade Level
Dead-end Job
1970
High School Equivalency
ABE
(Adult Basic Education)
Basic Skills
Interagency Cooperation
GED
10.5 - 12 Grade Level
Employment Opportunity
1972
Coping Skills
High School Equivalency
ABE
(Adult Basic Education)
Basic Skills
Interagency Cooperation
GED
Life, Job, Family Problem Solving
1975
Life-Time Learning
Coping Skills
High School Equivalency
ABE
(Adult Basic Education)
Basic Skills
Interagency Cooperation
GED
Life, Job, Family Problem Solving
Formal, Non-formal Continuing Education
Independent Information Seeking/Finding

A fourth AAEC conclusion, specifically related to training set the *non-formal* strategies and methodology for the conduct of the Institute Series. The fourth AAEC conclusion was that:

(4) **Short duration staff training, e.g. traditional two/three-week institutes in isolation from professional associates and from communities, does not yield desired individual or institutional change.** Short-term institutes do not allow time for a readiness period nor sufficient reinforcement of skills. Short-term institutes tend to draw only one representative from a given staff and upon return the representatives' impact is negligible. An institute in isolation can offer only generalizable solutions to specific conditions or problems–solutions which may or may not fit the local situation. The traditional institute serves relatively few trainees and is costly in terms of participant travel, allotments and absence from the job.

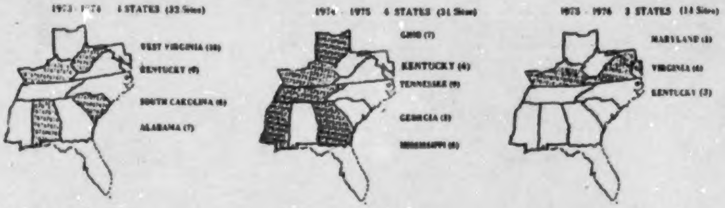
Individual and institutional changes seems to occur more readily when training is provided to the entire staff including the decision makers; when training involves all of those persons including the community who may be touched by the change exposed in training; and when that training is reinforced by activities necessitating behavioral change, augmented by conviction and resource support, and when the training results in agreements that are understood and accepted by all concerned.

The AAEC, having arrived at the conclusions noted, and having successfully demonstrated the development of the interrelationship of public libraries and adult education programs for disadvantaged adults, embarked upon the Non-formal Library Training Institute Series summarized in the charts and figures which follow.

Training In

10 STATES & 77 SITES

Time Sequence and Geographic Distribution


1973 - 1974 4 STATES (32 Sites)
WEST VIRGINIA (10)
KENTUCKY (9)
SOUTH CAROLINA (6)
ALABAMA (7)
1974 - 1975 5 STATES (31 Sites)
OHIO (7)
KENTUCKY (6)
TENNESSEE (9)
GEORGIA (3)
MISSISSIPPI (6)
1975 - 1976 3 STATES (14 Sites)
MARYLAND (3)
VIRGINIA (8)
KENTUCKY (3)

Institute Series Participants

2006 Persons

Participant Groups

936 Librarians

from

175 Libraries

&

1070 Non-librarians Represented

2
GENCIES
228 ABE
STAFF, TEACHERS,

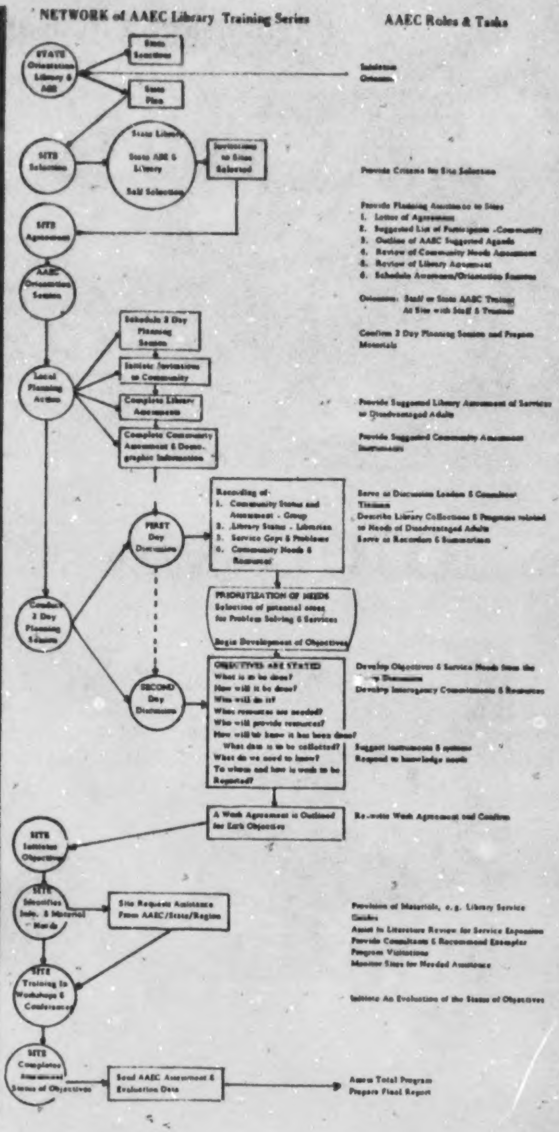
Institute Series

Design

and

Development

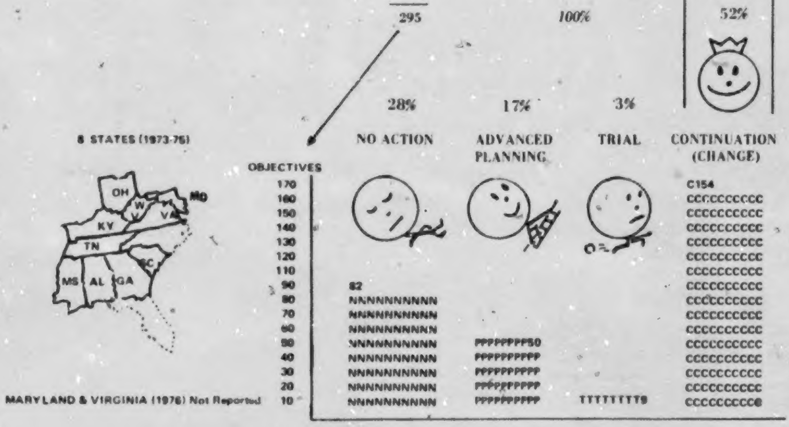
he AAEC Non-formal Library raining Institute Series design nd procedures are presented n a network form, Figure →, n which a circle, ○, repre-nts an ACTIVITY and a quare, ☐, represents a roduct or an ACTION taken. he network is paralled by an utline representing the roles nd tasks of the AAEC Staff.


NETWORK of AAEC Library Training Series
AAEC Roles & Tasks
STATE Orientation Library & ABE
State Sanctions
State Plan
Initiates Orientation
SITE Selection
State Library
State ABE & Library
Self Selection
Invitations to Sites Selected
Provide Criteria for Site Selection
SITE Agreement
Provide Planning Assistance to Sites
1. Letter of Agreement
2. Suggested List of Participants - Community
3. Outline of AAEC Suggested Agenda
4. Review of Community Needs Assessment
5. Review of Library Assessment
6. Schedule Awareness/Orientation Sessions
AAEC Orientation Session
Orientation: Staff or State AAEC Training
At Site with Staff & Trainees
Local Planning Action
Schedule 2 Day Planning Session
Initiate Invitations to Community
Complete Library Assessment
Complete Community Assessment & Demographic Information
Confirm 2 Day Planning Session and Prepare Materials
Provide Suggested Library Assessment of Services to Disadvantaged Adults
Provide Suggested Community Assessment Instruments
Conduct 2 Day Planning Session
FIRST Day Discussion
Recording of-
1. Community Status and Assessment - Group
2. Library Status - Librarian
3. Service Gaps & Problems
4. Community Needs & Resources
Serve as Discussion Leaders & Consultant Trainers
Describe Library Collections & Programs related to Needs of Disadvantaged Adults
Serve as Recorders & Summarizers
PRIORITIZATION OF NEEDS
Selection of potential areas for Problem Solving & Services
Begin Development of Objectives
SECOND Day Discussion
OBJECTIVES ARE STATED
What is to be done?
How will it be done?
Who will do it?
What resources are needed?
Who will provide resources?
How will we know it has been done?
What data is to be collected?
What do we need to know?
To whom and how is work to be Reported?
Develop Objectives & Service Needs from the Day Discussion
Develop Interagency Commitments & Resources
Suggest Instruments & systems
Respond to knowledge needs
A Work Agreement is Outlined for Each Objective
Re-write Work Agreement and Confirm
SITE Initiates Objectives
SITE Identifies Info. & Material Needs
Site Requests Assistance From AAEC/State/Region
Provision of Materials, e.g. Library Service Guides
Assist In Literature Review for Service Expansion
Provide Consultants & Recommend Exemplar Program Visitations
Monitor Sites for Needed Assistance
SITE Training In Workshops & Conferences
Initiate An Evaluation of the Status of Objectives
SITE Completes Assessment Status of Objectives
Send AAEC Assessment & Evaluation Data
Assess Total Program
Prepare Final Report

Status of Objectives Developed in Community Planning/training Sessions

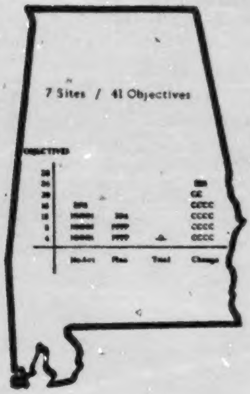
An assessment of the STATUS OF OBJECTIVES developed in the AAEC Library Training Institute Series community planning/training process reveals an astounding increase in the services to the disadvantaged adults indicative of INSTITUTIONAL CHANGE.

OBJECTIVE CATEGORIES	TOTAL N In Each Category	THE % OF N OF TOTAL For Each Category
Coping/Survival Skills Development	60	20%
Library/ABE Coordination	78	27%
Information & Referral Services	26	9%
Interagency Cooperation	28	9%
PR/Visibility	18	6%
Outreach	34	12%
Books by Mail	12	4%
Services to Special Groups	10	3%
In-Library Activities	18	6%
Volunteers	11	4%
	295	100%

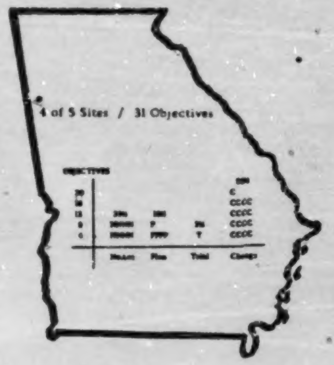


Status of Objectives by States

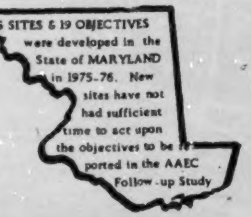
ALABAMA


7 Sites / 41 Objectives
OBJECTIVES
No Act
Plan
Total
Change

GEORGIA

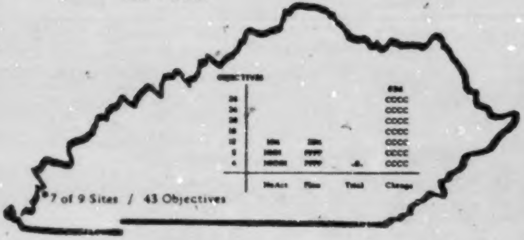

*4 of 5 Sites / 31 Objectives
OBJECTIVES
Plan
Total
Change

MARYLAND



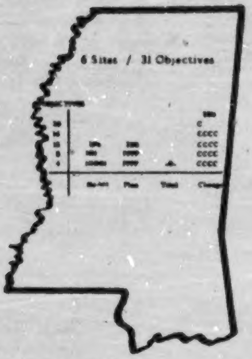
5 SITES & 19 OBJECTIVES were developed in the State of MARYLAND in 1975-76. New sites have not had sufficient time to act upon the objectives to be reported in the AAEC Follow-up Study

KENTUCKY

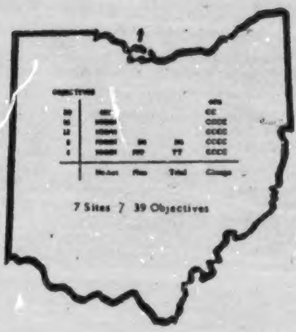

OBJECTIVES
*7 of 9 Sites / 43 Objectives
No Act
Plan
Total
Change

* Data reports only those training sites responding to the AAEC Follow-up Study of the Status of Objectives

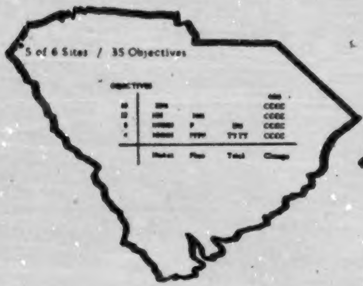
MISSISSIPPI


6 Sites / 31 Objectives
OBJECTIVES
Market
Plan
Trial
Change

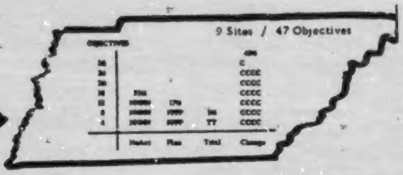
OHIO


OBJECTIVES
Market
Plan
Trial
Change
7 Sites / 39 Objectives

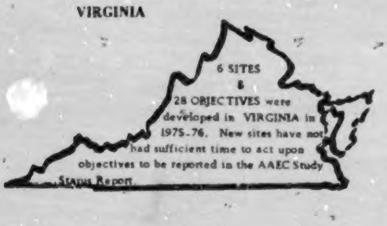
SOUTH CAROLINA


5 of 6 Sites / 35 Objectives
OBJECTIVES
Market
Plan
Trial
Change

TENNESSEE

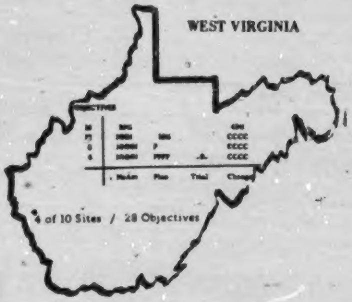

9 Sites / 47 Objectives
OBJECTIVES
Market
Plan
Trial
Change

VIRGINIA



6 SITES & 28 OBJECTIVES were developed in VIRGINIA in 1975-76. New sites have not had sufficient time to act upon objectives to be reported in the AAEC Study Status Report.

WEST VIRGINIA


OBJECTIVES
Market
Plan
Trial
Change
4 of 10 Sites / 28 Objectives

Cost Effectiveness

The AAEC Institute Series and the procedures are PROGRAM/COST EFFECTIVE in terms of the numbers trained and the scope of individual and institutional change.

All staff development and training institutes begin with similar grant awards. The comparison between the AAEC *non-formal* approach to library training institutes and *traditional (short term)* institutes, outlined below, illustrates the program/cost effectiveness of the AAEC technique.

TRADITIONAL TRAINING (Short Term)			AAEC NON-FORMAL TRAINING	
PERSONNEL			**PERSONNEL**	
Director			Director	
Staff	Temporary		Staff	Full-time $$$$
Instructors	Periodic $$$$		Instructors	Staff & Voluntary
Consultants			Consultants	Community
TRAVEL			**TRAVEL**	
Staff Travel	Limited		Staff	Constant $$$$$
PARTICIPANTS	Great Cost $$$$		**PARTICIPANTS**	No Cost
Room & Board	$$$$	!	N.A.	
Stipends	$$$$		N.A.	
Dependents	$$$$		N.A.	
Travel	$$$$		N.A.	
One Representative from A System			Total Staff PLUS Community	
Small Number of Participants (25+)		!	Great Numbers of Participants (1,000's)	
Training in One Site			Training in Many Sites	
MATERIALS			**MATERIALS**	
Utilize Existing Materials			Developmental	Production $$$$$
Small Quantity			Great Quantity for Many Persons & For National Distribution - $$$$	
TRAINING PERIOD			**TRAINING PERIOD**	
2-3 Weeks, Concentration			6-9 Months, 2 Day Concentration	
Follow-up			Follow-up Is Continuous With Support	
RESPONSE TO TRAINING NEEDS			**RESPONSE TO TRAINING NEEDS**	
2-3 Week Period			6-9 Month Period & Continuing	
Generalized Needs		!	Situation Specific Needs	
Group Orientation			Individualized Orientation	
PHILOSOPHY OF TRAINING			**PHILOSOPHY OF TRAINING**	
Knowledge Base			Behavior Change	
IMPACT			**IMPACT**	
Knowledge Application (One Person)			Individual & INSTITUTIONAL CHANGE (Library Staff & The Community)	
		!		
SPIN-OFF (SPREAD)			**SPIN-OFF (SPREAD)**	
Difficult For One Person to Create Change			Library System Change Potential	
			Local Regional Demonstration Programs	
			State /Regional Program Development (Decision Makers Are Involved in Total Effort)	
			Nation-wide Dissemination of Unique Materials.	

Cooperate? ......It Just Isn't Easy!!!

Efforts to develop–even mandate–collaboration among institutions have been real but dismal failures. The problem is paramount to all: to Congress; to local, state and federal programs; and to the client participant/recipient.

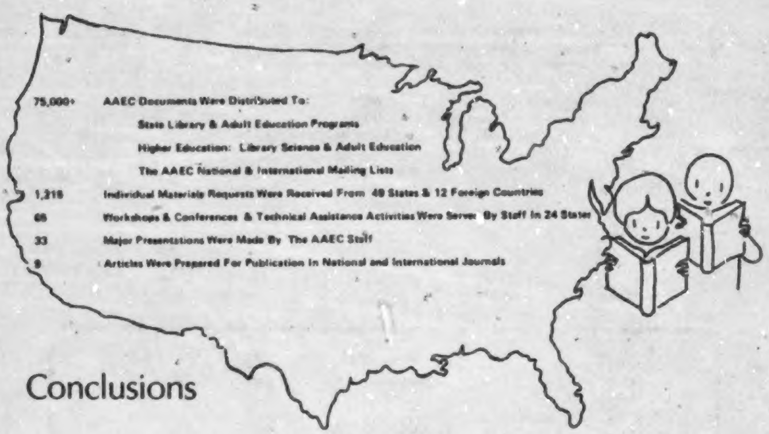
The urgency to interagency cooperation brought about by the economy and by the needs of the American population, not to mention the needs of institutions themselves, is offset by a long list of barriers against success.

In the AAEC study of the generalizable barriers encountered in urging collaboration between just two institutions, public library and adult education services for disadvantaged adults, an astounding array of barriers were uncovered through a community planning process.

Barriers to Interagency Collaboration

- Varying political nature of agencies
- Differences in communications and language of institutions and participant groups
- Marginal status of programs, funding and staff
- Resistance to special publics
- "Thing" orientation vs "Service" orientation
- Fear of: Innovation, change, decision making, working with street people
- Geographic isolation–sheer distance in rural areas
- Culture–transfer aspects–the maintenance of culture vs social change
- Place–boundness vs outreach
- Program impositions
- Differences in compulsory accountability for priorities
- Differences in priorities
- Associations with vested interests and credentialism
- Limited view of education responsibility–children and youth vs ALL ages
- Passive resistance from groups for whom service is intended
- Differences in accommodation–fitting program to people vs people fitting to program
- Variable roles and capacities of various functionaries–decision vs advice
- Interpretation of universality vs specialization of service to special groups in need
- Time conflicts between agency service and client participant time
- Minimally trained staff and part-time staff in specializations
- Success of paraprofessionals and related problems of professionalism
- Differences in credentialism, seniority and time
- Low or zero funding of many service agencies
- Varying number of units dictate management problems and power
- Dissimilar organizational structures
- Services not universally desirable to or for all segments of the population
- Goal displacement by client–client goals differ from institutional goals
- Confusion among federal, state and local agencies–proliferation of similar services and competition
- Fixed standards (traditionalism) vs differentiated standards for different publics
- Role changes viewed as a loss of role rather than role enhancement
- Process facilitators vs program managers
- Co-mingling of funds and resources rejected vs recognition as a solvable management problem

AAEC National Dissemination Activities



75,000+	AAEC Documents Were Distributed To: State Library & Adult Education Programs Higher Education: Library Science & Adult Education The AAEC National & International Mailing Lists
1,216	Individual Materials Requests Were Received From 49 States & 12 Foreign Countries
66	Workshops & Conferences & Technical Assistance Activities Were Served By Staff In 24 States
33	Major Presentations Were Made By The AAEC Staff
9	Articles Were Prepared For Publication In National and International Journals

Conclusions

I **The usefulness of the AAEC *non-formal* training designs - community based rather than institution based designs - have a higher yield in improved library services.**

II **The AAEC Institute Series has taught four main skill areas :**

1. **Community Planning**
2. **Management by Objectives**
3. **Expanding Library Services To Disadvantaged Adults**
4. **Achieving Interagency Cooperation**

III **Impact studies reported by participating libraries indicate massive institutional change through:**

1. **An increased understanding of the information, service and material needs of the disadvantaged adult.**
2. **The development of expanding service objectives and activities.**
3. **The help and cooperation being received from other community agencies.**
4. **Changes in library management and attitudes.**
5. **Increasing community support.**

IV **Participant evaluations, almost always positive, have become increasingly higher with each successive year of staff experience and sophistication in the community planning /training process.**

The three years of the Institute Series enabled the trainers to draw upon their own investigations and experiences in problem solving and to develop a constantly increased knowledge base.

V **In response to needed information in problem solving for expanding public library services, the AAEC produced a series of *Library Service Guides* which have been in great demand nationally.**

Bibliography

LIBRARY SERVICE GUIDES

Materials Selection for Disadvantaged Adults. ERIC NUMBER: ED. 098984

Assessing Community Information and Service Needs. ERIC NUMBER: ED. 098982

Using Pamphlets with Disadvantaged Adults. ERIC NUMBER: ED 098981

Deposit Collections for Disadvantaged Adults. ERIC NUMBER: 098980

Utilizing Volunteers in Expanding Library Services to Disadvantaged Adults. ERIC NUMBER: ED 098979

Books By Mail Services: Moving the Library to Disadvantaged Adults. ERIC NUMBER: ED 098978

Evening and Weekend Library Services for Disadvantaged Adults. ERIC NUMBER: ED. 108654

The Library as a Community Information and Referral Center. ERIC NUMBER: ED. 108653

Planning Expanded Library Services to Disadvantaged Adults. ERIC NUMBER: ED.108652

Group Library Tours for Disadvantaged Adults. ERIC NUMBER: ED 108651

Recruiting Disadvantaged Adults. ERIC NUMBER: ED. 111413

Bookmobile Services: Moving the Library to Disadvantaged Adults. ERIC NUMBER: ED. 108650

The Library Advisory Committee. ERIC NUMBER: ED. 112884

Expanding Library Services to the Elderly. ERIC NUMBER: ED. 111412

Public Library Services to Young Disadvantaged Adults. ERIC NUMBER: ED. 108649

Coping Skills Materials: A List of Sources. ERIC NUMBER: ED. 098976

Coping Skills Categories: Areas of Information Need for Disadvantaged Adults. ERIC NUMBER: ED. 098977

Your Public Library: ABE/Public Library Student Orientation Kit

Inservice Training in Service to Disadvantaged Adults

Expanding Library Services to the Institutionalized

Interagency Cooperation in Expanding Library Services to Disadvantaged Adults

Reader Guidance Service for Disadvantaged Adults

Audiovisual Materials in Service to Disadvantaged Adults

Mr. **Ford**. Without objection, the prepared statements submitted under the rules to the committee by members of the panel will be inserted in full in the record at this point.

You may proceed in the order that you deem most appropriate to add to or supplement in any way you want to comment or highlight the prepared statements.

TITLE VIII PANEL: ROY L. WOOLDRIDGE, PRESIDENT, NATIONAL COMMISSION FOR COOPERATIVE EDUCATION, BOSTON, MASS.; DR. KENNETH RYDER, PRESIDENT, NORTHEASTERN UNIVERSITY, BOSTON, MASS.; FATHER MALCOLM CARRON, PRESIDENT, UNIVERITY OF DETROIT, DETROIT, MICH.; ROGER A. HOLMES, DEAN OF ACADEMIC AFFAIRS, GENERAL MOTORS INSTITUTE, FLINT, MICH.; AND ADA SALISBURY, PROGRAM COORDINATOR, COOPERATIVE EDUCATION, ASHLAND COMMUNITY COLLEGE, ASHLAND, KY.

Mr. **Ryder**. I am president of Northeastern University, Kenneth Ryder. I have worked in an informal way with members of your staff in assembling a representative group of institutions today deeply concerned about cooperative education.

We have Ms. Ada Salisbury, representing a public community college; a representative from GM representing a large employer of co-op students. I will speak from the point of view of a large urban university deeply committed to cooperative education.

Roy Wooldridge, representing the National Commission, will supplement my presentation and Father Carron, the president of the University of Detroit, will set forth for the committee a kind of specific case study of some of the changes that might be introduced with the support of your committee.

Before beginning, I would like to ask the chairman whether there are some limitations of time that should guide us in our informal presentations.

Mr. **Ford**. Well, the House is in session and I do not expect that there will be very many votes. We just passed up a quorum which we will have to explain to our constituents, but if there is a vote, we will break and come back. We hope we can conclude in about an hour.

Mr. **Ryder**. We will try to keep our presentations fairly brief.

STATEMENT OF ADA SALISBURY, PROGRAM COORDINATOR, COOPERATIVE EDUCATION, ASHLAND COMMUNITY COLLEGE

Ms. **Salisbury**. I am Ada Salisbury, program coordinator, Cooperative Education, Ashland Community College, I am 1 of 13 community colleges in the university system located in northeastern Kentucky. My remarks will be specifically regarding title VIII, cooperative education.

Cooperative education is recognized as an alternative educational strategy in postsecondary institutions in the United States. It provides students with an opportunity to participate in an off-campus work experience related to their academic major but it is more than just work experience. It is an approach that is structured to be blended with the students' academic major and as well to meet other specific needs.

The basic philosophy of co-op in the Nation has not changed drastically since the early 1900's. However, there have been some programmatic differences that have come about in recent years.

From the early 1900's to the 1980's co-op was largely limited to large universities in the Nation and in many instances limited in the number of programs in which it was available. In 1969 there were fewer than 200 co-op programs reported in the Nation. However, by 1977 over 1,000 programs were reported operational at post secondary levels.

The interest and subsequent growth in cooperative education was not by accident. And it was in large part due to Federal legislation supporting co-op. The 1976 amendments to the Higher Education Act made significant changes and certainly opened up new doors for more colleges and universities to participate in co-op.

Prior to the 1976 amendments, the Federal support was limited to those schools that could operate co-op on what we have termed a purely alternating calendar schedule, the most frequent pattern being alternating semesters or quarters of work experience with equal quarters of on-campus full-time study.

The 1976 amendment supported an alternative approach in a term that I think is very much a part of the community college: the approach called the "parallel concept," where the student could actually work and go to school during any one given semester or quarter. And this was the door that was opened, particularly for the small college or the small community college or technical school.

Within the past 5 years, co-op programs at the 2-year level in the United States have taken on a new significance in the total co-op movement. Now, currently operating in the United States are over 1,200 community colleges enrolling over 4 million students in regular academic programs, with an additional 3 million in continuing education community service programs.

And to understand why co-op is so important to those of us at the 2-year level as being equally important also at the 4-year and major university level, you have to look just briefly at the profile of the community college student. As a number of the traditional students, college level students begins to decline, institutions will have to look at the more mature student population.

These are often referred to on university campuses as the "new student." But the community college has always known this new student. I will briefly characterize some distinguishing factors of the new student.

Many individuals we see on community college campuses are more mature in that the average age of the student now enrolling is well above 25, more accurately approaching 30.

Mr. FORD. Could I interrupt there?

Ms. SALSIBURY. Yes.

Mr. FORD. The committee has received from the American Association of Junior Colleges statistics for the current academic year that indicates that average age is 30 and that the average age for females is 35.

Ms. SALISBURY. Right.

Mr. FORD. A lot of people shake their heads like this when we tell them about it. We have asked them to check and recheck and they insist that is the case. And when put together with your testimony, it is some indication of how rapidly the ages are increasing in those institutions.

Ms. **Salisbury**. Right. Thank you.

Many of these individuals, as Chairman Ford just indicated, are females. And we see them being forced to enter a postsecondary education training while in most instances being the head of the household, assuming the role for providing the necessary obvious expenses. These people are immobile and they are attracted to the community college because of the accessibility to campus.

Another group of the new student population are those individuals who for various reasons are entering educational training for retraining or upgraded training. Characteristically they too because of, in many instances, family ties are limited in their ability to become mobile either for entering a post secondary training program or for participating in co-op specifically.

Community colleges also attract the younger student population: those high school students. Many of them are the sons and daughters of the blue collar workers. Two-thirds of these students are first generation college students.

Co-op is an educational strategy that is vital to these groups as well as to the other students enrolling in community colleges. In the 1976 amendments, the words, "full-time," were removed, thus permitting colleges that were operating co-op on a parallel approach to be eligible for Federal funds.

Again, this concept permitted student—and classically I like to identify that within any 5-day period that they can work and participate in a co-op assignment.

Probably the most significant fact is that this utilizes local employers. Again, there are limitations geographically in that students have to be accessible to the campus and in most instances I think the way we operate generally within a 35-mile radius of the institutions gives students the flexibility to attend on-campus classes as well as participate in the co-op experience.

The faculty members too receive the benefits in that they are constantly in contact with the student with immediate feedback from the student providing input into the classroom and certainly accessibility of the local co-op assignment to the members of the faculty.

The survey of co-op to the United States in 1977 show that in 1969 of the community colleges participating in the total co-op community, there were only 17 percent of the total programs. However, in 1977 community colleges represented 46 percent of the total number of schools reporting operating co-op educational programs.

It is estimated today there are over 205,000 students participating in co-op. And more than half of this total number come from the junior college level.

It is interesting to note also that the average senior college co-op program reports 110 students while the community college program reports an average of 117 students. It is apparent then that a large significant percentage of the employers of cooperative education students are those employers that come from all segments of the business community: the small employer as well as the large corporation.

In fiscal year 1978 there were 320 awards for administration grants under title VIII. And it is also interesting to note that of this total number of grants that were given, 91 percent are still ineligible for continuing years of support on the 5-year limitation scale.

For fiscal year 1979 over 600 applications were received requesting over $28 million. It is apparent now that a concentrated initiative has been exerted to shift the direction of grant awards in such a way that title VIII moneys could and would be used to convert totally several urban universities or several urban unversities to cooperative education.

If such a shift in direction is successful, it is likely that small institutions or even large ones of a non-urban nature would be ineligible for title VIII grant awards at the current appropriations level.

In a recent message to the membership of the National Cooperative Education Association, our professional group, the president stated, and I quote one sentence: "If such a shift in direction is successful, I fear that the posture of cooperative education in this country will be threatened."

It is also apparent now that Congress has recognized the potential of co-op in its contined support with Federal dollars.

If the urban thrust is supported, my request is that it not be at the expense of the non-urban college or university currently in the process of developing a sound cooperative education program. It is also recognized that several years are needed for institutions to develop sound programs.

And this again was supported by the amendments of 1976 increasing the years of eligibility from 3 to 5 years and also increasing the maximum amount of funding to which one single institution is eligible from $75,000 to $175,000. Yet, the irony is that last year the average award for an administration grant was just slightly over $42,000.

In conclusion, it is my recommendation that if title VIII legislation is to achieve its congressional intent, it is imperative that it be applied fairly and equally and not be modified indirectly to benefit a limited number of institutions.

[The full statement of Ms. Ada Salisbury follows:]

TESTIMONY

SUBMITTED BY

ADA LEE SALISBURY

Ashland Community College
1400 College Drive
Ashland, Kentucky 41101

Cooperative Education is recognized as an alternative educational strategy in post secondary institutions in the United States. Cooperative Education provides students with an opportunity to apply classroom theory in a real-work situation that is more than just work experience. It is an approach structured to students' academic majors and planned to enhance the total educational program. Basic philosophy of Cooperative Education has remained rather constant since the early 1900's. However, programmatic differences have surfaced in recent years to better meet the needs of a varied student-population. From the early 1900's to the 1960's Cooperative Education was mostly limited to major universities, and even during this period was available to students in only a limited number of academic programs. In 1969 fewer than 200 colleges and universities reported operational Cooperative Education programs; however, by 1977 over 1,000 post secondary institutions reported viable, operational Cooperative Education programs.

The interest and subsequent growth in Cooperative Education was not by accident, and was in large part due to changes in Federal Legislation supporting Cooperative Education programs. The 1976 Amendments to the Higher

Education Act made significant changes by opening new doors for more colleges and universities in the United States to initiate and expand Cooperative Education programs. Prior to the 1976 Amendments, Federal support was granted to institutions operating Cooperative Education on an alternating pattern whereby students spent specific periods in fulltime, academic study and periods in fulltime, related work. The usual pattern was to alternate semesters or quarters. This approach, still in effect in a large number of universities, was not in many instances functional within smaller colleges, community colleges, and technical institutes.

Within the past five years Cooperative Education programs in two-year post secondary institutions in the United States have taken on a new significance. Now currently operating are 1,234 community colleges and technical institutes throughout the United States enrolling over four million students, with an additional three million in Continuing Education and Community Services Programs. To understand why Cooperative Education is so vitally important to the smaller colleges, community colleges, and technical institutes, it is necessary to look at the student population within these institutions. As the number of traditional, college-age persons begins to decline, institutions of higher education will invariably have to turn to the mature population, often referred to as the "new student," on university campuses.

The community college has always known the "new student." Today, the average age of the community-college student is 25 years. Many are females assuming the role of the head of the household. These individuals are responsible in many instances for rearing children and providing an income for the obvious, necessary expenses. They elect to enroll in a community college for various reasons, including accessibility to campus and reduced educational costs. Many are not mobile in that responsibilities and financial limitations prohibit their relocating in other geographic areas.

Meanwhile another group in the "new student" population encompasses those individuals who for various reasons are entering educational programs for retraining or up-grading of skills. Characteristically, these persons too are immobile in their ability to relocate in other areas for the purpose of entering post secondary programs.

Community Colleges also attract younger students, many from lower-income levels and often with less than adequate academic achievement. These students are sons and daughters of blue-collar workers, and approximately 2/3 are first-generation college students. Cooperative Education is an educational strategy that is particularly beneficial to these as well as the other groups in college programs. Cooperative Education in community colleges most frequently utilizes business and industry, and other agencies within the service area of the institution, permitting students to be placed in a local cooperative work assignment.

In the 1976 Amendment to the Higher Education Act the words "full-time" were removed, thus permitting Federal support for programs offering Cooperative Education on a calendar schedule, this often referred to as a "parallel approach." The "parallel" concept permits students to attend on-campus classes and participate in an off-campus work-assignment during any given semester or quarter. This action greatly aided the Cooperative Education movement in small institutions where students were concerned about completing their educational program on-schedule without extending their time in the educational institution. This approach provides immediate feedback to the classroom instructor for exchanging ideas weekly with students who attend class and concurrently participate in CO-OP work assignments.

Of particular significance to the educational institution are the close and continuing relationships developed with local businesses as a result of faculty interaction with business practitioners by way of students involved in Cooperative Education. A survey of Cooperative Education in the United States in 1977 showed that junior colleges increased their participation in CO-OP from 17.6% of the population in 1969 to 46.6% in 1977. It is estimated that there are over 205,000 CO-OP students in the United States and Canada, with over 110,000 or more than 50% of these students coming from the junior college level. It is significant also to note that the average senior college program was found to have 110 students while the average junior college program had 170 students. It is apparent that employers of Cooperative Education students come from all segments of the private sector and governmental agencies. With over 205,000 students currently participating in Cooperative Education, it is obvious that the smaller, independent employers, as opposed to large corporations, provide a significant percentage of total employment-opportunities for Cooperative Education students. These enrollment statistics are indicative of the impact the smaller institutions have made and can continue to make in the total CO-OP movement.

In Fiscal Year 1978, 320 awards were made to post secondary institutions for administration of Cooperative Education programs. A breakdown of these awards based on a maximum of five years eligibility is:

53 - First Year Grants
65 - Second Year Grants
73 - Third Year Grants
87 - Fourth Year Grants
42 - Fifth Year Grants

Considering only those institutions receiving awards in 1978, over 91% have remaining years of eligibility to receive an award for expanding Cooperative Education programs under Title VIII. For Fiscal Year 1979, over 600 applications were received requesting funds from Title VIII in excess of $28 million dollars for the administration of Cooperative Education programs.

It is apparent that a concentrated initiative has been exerted to shift the direction of grant-awards in such a way that Title VIII funds could and would be used to convert totally several urban universities to Cooperative Education. If such a shift in direction is successful, it is likely that small institutions or even large ones in non-urban areas would be ineligible to compete for grant-awards under Title VIII at the current appropriation level. In a recent message to the membership of the National Cooperative Education Association, the president of this professional association stated, and I quote, "If such a shift in direction is successful I fear that the posture of Cooperative Education in this country will be threatened. Several hundred institutions are currently in the process of building Cooperative Education programs using Title VIII funds as seed money. We all recognize as does Congress that it takes several years for a program to reach the point at which it becomes self-sustaining. Changing the intent and process by which Title VIII funds are awarded would in effect 'jerk the rug out' from under many institutions in the middle of their building efforts." It is apparent that Congress has recognized the potential of Cooperative Education through Federal assistance, and if the urban initiative is supported with Federal dollars, it definitely should not be at the expense of the non-urban colleges or universities currently in the process of developing a sound Cooperative Education program. It is recognized that several years are needed for institutions at all levels to develop sound Cooperative Education programs, and this was also supported by the action of Congress in the 1976 Amendments of the Higher Education Act by extending the years of eligibility for Federal support from three to five years while increasing the amount which may be awarded to a single institution for administration costs from $75,000 to $175,000; yet, during Fiscal Year 1978, the average award to an individual institution was $42,641.

If Title VIII legislation is to achieve its Congressional intent, it is imperative that it be applied fairly and equally, and not be modified indirectly to benefit a limited number of institutions.

Recommended Revisions Title VIII:

It is recommended that Title VIII be revised as follows:

Sec. 801

1. Authorize to be appropriated in Section 801 for

Fiscal Year 1981	$28,000.000
Fiscal Year 1982	$32,000,000
Fiscal Year 1983	$38,000,000
Fiscal Year 1984	$42,000,000
Fiscal Year 1985	$48,000,000
Fiscal Year 1986	$54,000,000

Fiscal Year 1987	$60,000,000
Fiscal Year 1988	$65,000,000
Fiscal Year 1989	$70,000,000
Fiscal Year 1990	$75,000,000

to enable the Commissioner to make grants pursuant to section 802 to institutions of higher education, or to combinations of such institutions, for the planning, establishment, expansion, or carrying out by such institutions or combinations of programs of Cooperative Education, (Such programs shall provide alternating periods of academic study and of public or private employment, the latter affording students not only the opportunity to earn the funds necessary for continuing and completing their education but, so far as practicable, giving them work experience related to their academic or occupational objectives.) and enable the Commissioner to make training, demonstration, or research grants or contracts pursuant to section 803 not to exceed a total amount in excess of 20% of the annual appropriation.

Sec. 802

NO CHANGE

Sec. 803

Remove "subsection (b) of".

STATEMENT OF ROGER A. HOLMES, DEAN OF ACADEMIC AFFAIRS, GENERAL MOTORS INSTITUTE, FLINT, MICH.

Mr. HOLMES. Good morning, I am Roger Holmes, dean of academic affairs at General Motors Institute in Flint, Mich. On behalf of GMI, I am pleased to have this opportunity to meet with you this morning to tell you that we at General Motors support cooperative education in the strongest possible terms.

Over 60 years ago we embraced the then new concepts of cooperative education in the factories of Flint, Mich., and in almost any building we could find in that city, because the needs of a burgeoning industry called for worker-students and student-workers. This was the beginning of General Motors Institute. GMI is as firmly and totally committed to cooperative education today with 2,200 students as it was in its infancy.

In other towns and cities of the Midwest, enterprises that were embryonic divisions of the corporation hired cooperative students from the pioneer of cooperative education, the University of Cincinnati, and from other universities that were early adopters of the co-op concept. Today, in addition to GMI students, General Motors hires approximately 1,000 co-op students each year from over 100 institutions nationwide.

Our commitment to cooperative education is clear: We believe in it, we do it on a sizable scale as both employer and educator, we do it on the basis of responsible corporate principles and we like the results.

It would be easy, as an engineer, for me to portray our commitment to cooperative education with charts, tables, and graphs; we delight in numbers. But cooperative education is, above all else, a process of people working for the common good of the students, the educational institutions, and the business enterprise.

It is the people that count, and where people count, the principles and the beliefs of the corporation count far beyond the tally of dry facts. These, then are our cooperative education principles at General Motors, voiced as both employer and educator of cooperative education students.

First, education is a lifelong process for the productive person. Childhood and adolescence are devoted almost totally to formal classroom education. Education in adult years is characterized largely by learning in the workplace with occasional short returns to the formal setting.

The college years, between late adolescence and early adulthood, are ideally suited to a mixture of roughly equal portions of meaningful work experience and demanding, self-motivated formal education.

Cooperative education is the most effective means of showing that one must learn while working and work while learning in an advancing society. We believe that the work-and-learn habits developed by a person during cooperative education will carry into the working years to the benefit of the individual and hence to the benefit of General Motors.

Second, an outstanding form of education combines the understanding of theory and grasp of principles with the enlightment of applications and the reality of practice. In our view, cooperative education is the exemplar of such a form. The ideas of the classroom and the experience of the workplace are both enhanced in the mind of the student who discovers the connecting links.

Our Nation must make every effort to see that talented youth of all backgrounds are prepared to the fullest extent to make their contributions to society through industry and Government.

Third, General Motors can help in the full development of talented youth while getting our own jobs done through cooperative education. Cooperative education enables students to earn a substantial part of their educational expenses. Indeed, we find that economic responsibility and maturity comes early among co-op students; they often graduate not merely debt free, but with a modest head start.

Talented students, whether from normal or disadvantaged backgrounds, graduate with a lot going for them: an education closely coupled to the world of work, meaningful work experience, and some dollars to the good.

Moreover, the students have had the opportunity to learn about the range of occupations open to them and the potentials and limitations of fields which interest them. People should choose their careers as they best see them. General Motors' commitment to cooperative education allows co-op students to make this choice on an informed basis.

We can give students in our workplaces our views about their best talents as we see them. They, in turn, can see what jobs we need done to get on with our enterprise and size up their hopeful paths in General Motors.

We have no requirement the co-op student join General Motors on graduation from GMI or any other educational institution, and we have not guaranteed the student a job years later in advance either. Still, in the large majority of cases, the student decides that GM offers a promising career and GM decides that the potential graduate will help us prosper.

A career choice has been wisely made and matched to our business needs. The newly hired young engineer or budding manager has an understanding and appreciation of General Motors, the function it fulfills in the provision of goods and services in our economic system, and his or her role in that function. This is a dividend of cooperative education.

Fifth, cooperative education provides a smooth and positive transition into full-time employment at the end of the undergraduate period. The co-op graduate newly hired is immediately productive upon graduation, to the delight of the employer.

It is commonly felt in industrial circles that it takes from 1 to 3 years for the new college graduate to become effective if that employee was not a co-op student. In cooperative education, the time change from neophyte to productive professional is woven into the work-study schedule.

The benefits of cooperative education are not limited to students and industry; education profits as well. General Motors wants its co-op students to carry the knowledge and attitudes gained in the workplace back to the classroom to foster probing discussions of needs and applications in industry. This enhances faculty interest in professional practices and diminishes academic isolation from the world outside the classroom.

Moreover, cooperative education increases the dialogue between people in business and industry and people in education. We think this is good. We in General Motors view ourselves as partners with education in our concern for the co-op student and in the design of an articulated work experience and education program. In maintaining the dialogue, we are made more aware of needs in education and educators are made more aware of needs in business and industry.

To emphasize just one aspect, we believe that in a highly competitive job market, education is the equalizer that breaks down racial and economic barriers. If education is to provide genuine equal opportunity for advancement, it must be related to career paths in the areas of need in business, industry, and Government. We provide one linkage to education in this respect.

Finally, any lively society must transmit its value system to its young people. At General Motors, we consider it our duty to transmit to young people the values of American business and industry and the values of the American economc system as we see them, not with a hard sell, but by reason and principle, for them to evaluate.

Cooperative education is one of the best ways to introduce young people to the value system of business and industry and pass on to them the freedom and the wisdom to adopt or alter the value system in their time.

Thank you.

STATEMENT OF KENNETH RYDER, PRESIDENT. NORTHEASTERN UNIVERSITY, BOSTON, MASS.

Mr. RYDER. I am Kenneth Ryder, president of Northeastern University. I also serve as vice chairman of the National Commission on Cooperative Education. Northeastern University since 1909 has committed itself to development of cooperative education. It is today the Nation's largest institution in this respect.

Sometimes there are spirited discussions as to which institution is the largest private university in the country, Northeastern claims full credit for that title. We are enrolling annually some 50,000 students, including some 19,000 on a full-time basis. A great majority of these are committed to programs of cooperative education.

I think we all join here today in a kind of common spirit of concern about the future of education, faced, as we are, by two serious problems: prospective declining enrollment and at the same time uncontrolled rising prices, and the prospect of tuition increases denying equality of opportunity which has been our national commitment for recent years.

Related to the problems of education I might also point out the prospective problems of the labor market, because that same decline in enrollment that will affect colleges in the next few years will result in a significant decline of available young people in the age of the twenties within a decade.

Some 20 to 25 percent may in fact be subtracted from the present labor pool of that critical young worker population. And we would suggest cooperative education is one way of preparing for the time when we must make full use of that productive portion of the population, combining half of their time in school with half time availability as part of the labor force.

There are currently, as the result of the farsighted congressional support, some 200,000 young people in this country who are employed as cooperative students attending institutions with a cooperative plan. This particular development is only the beginning in our judgment.

We believe there is much future growth potential if the Nation will solve both the financial student aid problem and its own national labor needs by further enthusiastic support of what title VIII has begun.

I know as Members of Congress you are very concerned about inflationary pressures. I encourage you, however, to expand cooperative education by encouraging more institutions to enter the field, by strengthening existing programs, and by soliciting greater employer participation.

I acknowledge this will require allocation of a certain amount of new dollars. I hasten to state, however, that my proposals and those supported by the national commission would generate tax revenues substantially higher than any subsidies suggested for the encouragement of cooperative education.

Let me summarize briefly several specific recommendations which may be further amplified by remarks made by my colleagues here at the table. I urge there be a revision of title VIII to provide substantial increased funding for conversions of institutions to the cooperative model, both startup of new programs and also, on a selected basis, the expansion and total conversion of certain urban based institutions.

I suggest that there be established a supplementary administrative grant program which can serve as an incentive to institutions in attracting as many students as possible to the cooperative way of education.

I suggest a combination of sections 802 and 803 into a single authorization which would allow greater flexibility of administration by the Commissioner. I would also ask in passing for a revision of title IV-c so that the work-study program could supplement and support cooperative education and expansion.

As president of a large urban university, I must also, parenthetically at least, express my very strong support for that bill which Congressman Ford and others have supported in recent time, the Urban Grant University Act, which may be possibly included as a new title of this Higher Education Act now being considered.

It would be a vital support for the President's urban program and bring greatly expanded services to our entire Nation because of the resources which large urban universities have available.

The time is short and let me touch briefly upon only a few amplifications of these recommendations. I would suggest that, in the enlargement of support for administrative grants, we are interested in no way in weakening the current program of title VIII which encourages new institutions to enter this field.

We are urging rather that this program be supplemented by new funding which will allow substantial conversion of large institutions. We are suggesting at the outset that the conversion might most profitably occur in urban institutions, not only because of

President Carter's suggestion of an urban emphasis and the great needs there, but because urban centers provide diversity of job opportunities which could be supportive of a broad based spectrum of cooperative programs.

I am suggesting that in a very significant way, Congress commit itself to expansion of funding. My colleague, Dr. Wooldridge, will suggest shortly some of the justification for the figures included in my formal statement. By summarizing, I suggest that we get an authorization for appropriations in future years going from a level of some $56 million for fiscal 1981 to a level of possibly $110 million in fiscal 1990, a long-term commitment for continued support and expansion of this cooperative plan.

We recommend that sections 802 and 803 be combined because we believe that the Commissioner will in future years have greater flexibility in judging the relative needs of the total program as submitted to the Office of Education. We know we have in a sense passed a first phase under title VIII.

Congressman Ford mentioned earlier the dramatic expansion of the number of institutions committed to co-op to now in excess of 1,000. We are not certain how many additional institutions can or should be recruited. We are not sure how many large institutions might be totally converted. We believe combining the authorizations in 802 and 803 will allow the Commissioner to render a more informed judgment each year as this process proceeds.

We recommend in the coming period that section 803 have a title change and include the word "demonstration" in that title because, at least at the outset, we would suggest that some of the conversion of institutions in an urban setting to full commitment to co-op would best occur under the phrase "demonstration projects" and that the funding should be clearly earmarked for that purpose.

I am suggesting a new section of the act: a section 804, which would allow the Commissioner to authorize expenditure of $200 per cooperative education student each year to institutions with ongoing cooperative education programs. These grants would be administrative sustaining grants which for the next several years would establish an incentive for and encouragement toward extending the cooperative education plan and its benefits to the greatest number of students.

We believe that the philosophy here of providing seed money for expansion of co-op would allow institutions to establish and perfect programs initiated earlier with the administrative startup grants, whose funding may have now expired or will shortly expire, for these institutions and others to experiment with innovative approaches to cooperative education such as extending co-op education to the graduate levels in many professional fields, extending it to adult education, to international exchanges utilizing multinational corporations.

By its very nature cooperative education is experimental. It is still being developed. After three-quarters of a century of its development, it is still not finally in a perfect form. And all institutions involved with it recognize its potential which is still not fully realized.

We believe there is a possibility to recognize from such administrative sustaining grants significant enlargement of the students now being served, so that there can be a multiple in growth in current enrollments.

We know this represents a substantial amount of money. Given the present spirit of Congress we do not easily suggest new funding, but we would suggest here is a unique kind of recommendation, because we propose something that has built into it a guaranteed return to the Federal Government in excess of any money provided.

The administrative grant program suggesting $200 per student year would return to the Federal Government in taxes $600 per year. There is a built-in guarantee that whatever is invested in this field will immediately return through income taxes and other taxes paid.

To supplement the title VIII, I am suggesting there be a further modification of title IV–c, the college work-study program. Briefly stated, our suggestion is that there will be opportunity for individual institutions to use up to 20 percent of the work-study allocation to support the development of jobs in the private sector and that such private sector jobs require a 50 percent contribution from the employer.

This would provide a leverage for the extension and expansion of funds available for student assistance, since that contribution is substantially larger than now required from the nonprofit institutions and would guarantee a relevance and diversity of employment opportunities that would significantly improve the educational aspect of the current work-study program.

We would suggest in addition that a portion of that work-study allocation be designated for administrative costs, since many institutions not on the cooperative model will have to set up new placement provisions and even co-op institutions will have to develop entirely new staffs and new approaches to make full use of this college work-study allocation.

These, in essence, are the proposals that I would make on behalf of Northeastern and which are endorsed by the national commission. I welcome the opportunity to present them to you and would ask for further amplification now from my colleagues.

[The full statement of Kenneth G. Ryder follows:]

Statement by

Kenneth G. Ryder

President, Northeastern University

Boston, Massachusetts

I am Kenneth G. Ryder, president of Northeastern University in Boston, and vice chairman of the National Commission for Cooperative Education. Depending on what semantic or numerical standards one uses, it could be said that Northeastern is the nation's largest private university. It annually enrolls some 50,000 students, of which 19,073 are full-time. More significantly for purposes of today's hearing Northeastern is the nation's largest cooperative education institution. It has 8,000 full-time undergraduate students participating in cooperative education, not to mention Law and other graduate schools based on the cooperative education concept.

These are my credentials and I welcome the opportunity to come before you today to speak of cooperative education generally, and to specifically offer views on revisions to Title VIII of the Higher Education Amendments of 1976 and on revisions to Title IV-C of the Higher Education Act of 1965.

The past decade is one in which the United States has experienced social and economic alterations certain to affect profoundly the fate of those who live within its boundaries. As the nation looks to a new decade, the 1980s, as it plans for the future, educational and human resources must be linked to assure that future citizens of our country are educated, well-motivated citizens who are productive members of the American society. The availability of skilled manpower will be especially critical by the close of the 1980s as demographic changes sharply reduce the number of young people of college age.

In order to achieve this necessary continuum of a productive citizenry, we must continue to step up to and address the crisis which faces higher education. This crisis permeates our land and our campuses. Its ingredients are prospects of declining enrollment and the everincreasing costs of education. National attention should be focused as well on another compelling aspect of the national educational condition: talented and qualified young people from lower and middle-income families who have tied their dreams of upward mobility to higher education as the escalator to social and economic advancement may be denied that opportunity, that mobility, in everincreasing numbers because they cannot afford to pay the rising costs of higher education.

Allied to the future of education in a critical interrelationship are the demographics of the labor pool in the 1980s. Within ten years, there will be a shortage of 20-year-olds in the national work force. The demographic decline which faces education faces labor as well.

The Federal government, since 1965, has encouraged a program through which the sons and daughters of American lower and middle-income families can gain a college or university education without the burden of excessive indebtedness, or long periods of repayment. This program is cooperative education, an education program rooted in the work ethic which has made this nation so strong and so productive.

Cooperative education, as an educational strategy, integrates, in a structured way, oncampus study with offcampus, professionally-related work experience. Students are placed in jobs in which they are paid the appropriate or current wage for that job. While earning all, or most, or their college or university expense they, at the same time, further their education by gaining valuable on-the-job training as well as a critical understanding of the world of work and of their ability to accommodate to that work-world.

Cooperative education, unlike some other education/work programs, is not a loan program. Nor is it a grant program. A recent study-- Cooperative Education-A National Assessment-- mandated by the Congress to produce data for future Congressional decisions showed that cooperative education is more effective as a method of student financial assistance than any of the other such programs being funded by the Federal government. The income students earn under the cooperative education plan is a direct result, literally the fruit, of their labor. It is income taxable at the State and Federal levels. The total Federal taxes paid by cooperative education students more than offset the Federal government's annual investment in the program to date and can provide future financing for incentive programs to promote the rapid growth of cooperative education.

In contrast, let me refer to federally-insured loans. At a recent Washington meeting of the American Council on Education (ACE), an official of the U.S. Office of Education's Bureau of Student Financial Aid said that the cost of a federally-insured loan had reached at least $700 per $1,000 loaned. Further, the Federal government pays 13.25 per cent in interest on insured loans of students who are in college and not in their payment period.

There is a significant dissimilarity which should be noted between cooperative education and so-called "shadowing experiences" where students only observe what is going on in the work place. On cooperative assignments, students are regular, paid employees of the company or the agency by whom they are employed. Research has shown that cooperative education students demonstrate a greater proclivity toward staying in college or in the university, and to complete their degree requirements than do noncooperative education students. They begin their full-time, after-graduation employment at higher starting salaries and are promoted more rapidly than are their counterparts from traditional academic curricula. They have the chance to experience realistic work situations and to try different careers or career fields prior to having to make any major, long-range, long-term career decisions. Students often exhibit, as a result of their cooperative experience, greater self-confidence, maturity, and self-awareness. Also, they have a more accurate, a more realistic estimation of their professional and personal strengths and abilities than do other students.

For many of our nation's young people, cooperative education is the only route available to obtaining a higher education. It provides educational opportunity for the children of working class parents and for those from socially and economically-deprived backgrounds, for those who cannot afford the cost of a higher education. More and more, in recent years, it has become more attractive to middle-class families as increasing educational costs erode educational opportunity, and as the superior educational values of cooperative education are more broadly recognized.

The cooperative education model has proved, in many disciplines, to be a superior form of education at both the undergraduate and graduate levels. It has added vitality to the learning process by expanding the classroom, by taking it to the world of work, the world outside the classroom. It has given students a feeling for, and understanding of, the environment to be encountered following graduation from college; the student learns the requirements, constraints, and opportunities of the postgraduation world. It has broken the sometime monotony of continuous classroom learning with the staccato, the pulsation of offcampus challenge. Most importantly, cooperative education has given students the opportunity to realistically test career choices in the laboratory of work.

The curriculum benefits from cooperative education as well. The presence of students in the work-world introduces them to the latest developments in given fields; an effect which finds its way into strengthened curricula.

Aside from the demonstrable value of cooperative education as a means of learning, it offers employers, both in the private and public sectors, a medium through which employees can be recruited and retained to meet current and future manpower needs. There is much evidence to show that companies, large and small, and particularly those engaged in high technology processes and advanced service functions, rely heavily on cooperative education institutions for new employees.

There are estimated to be some 30,000 private sector employers (such as General Motors, Ford, IBM, Burroughs, General Electric, Bell Telephone, Xerox), more than 30 major federal agencies, and many, many state and municipal agencies employing cooperative education students. The hiring of these students has resulted in savings in recruitment and training costs, and in improved employee retention rates. Further, cooperative education facilitates the assessment of employee quality and promotability (advancement potential). An employer can use performance on the job as a central criterion in staff selection rather than relying solely on written tests or formal interviews. Cooperative education gives employers better access to minorities and to women, and it gives minorities and women greater access to employers. It promotes affirmative action. The value of cooperative education as an avenue of hiring has been confirmed continually by the experience of employers.

The adoption of a cooperative education program, its installation and subsequent operation, always represents a cost to an educational institution. Such programs become more cost effective, however, when the program is large enough for students to alternate periods oncampus and offcampus and two students can be enrolled for every upper division opening. Because students participating in cooperative education recover much of their tuition and living expenses from their earnings, a college or university can distribute its scholarship funds more widely. And, because cooperative education institutions are in full operation twelve months of the year and because of the alternating pattern of oncampus and offcampus attendance, facilities are more effectively and more efficiently utilized.

The farsighted and important Federal leadership manifested in the support of cooperative education has enabled, in less than 20 years, the number of institutions committed to cooperative education to increase from 50 to nearly 1,000. There are more than 200,000 students in the United States participating in the cooperative form of education and annually earning wages of approximately $800 million.

It can be said, therefore, that cooperative education is firmly entrenched as a component of American education with nearly one-third of all institutions of higher learning--public and private, four-year and two-year, senior and junior--having adopted cooperative education in one or more programs of study.

The history of the Federal government's involvement in cooperative education shows its growing interest in the past achievement and future potential of this educational form. Cooperative education was, in 1965, first classified under Title III for utilization by developing institutions. In 1968, the Congress expanded its support and moved cooperative education to Part D. of Title IV as part of its increased efforts to expand college student access to cooperative education. With the 1976 amendments to the Higher Education Act, you in the Congress reaffirmed Congressional support of cooperative education and assigned it exclusively to Title VIII. By doing this, the Congress stressed the importance of cooperative education as a significant national educational strategy.

Not only is cooperative education a method of education which is critically important and necessary at this point in the nation's history, but also it has strong and valid financial benefits, both for the student and for the employer. Expansion of cooperative education as an educational form and as a means of student financial assistance can lessen some of the crisis of higher education in this nation while providing workers who can contribute productively to the nation and to society.

I am conversant with your concerns as members of the Congress. I am particularly aware of the inflationary pressures bearing down on your decision-making here in Washington as well as on us all in the cities and towns throughout the country. The cloud of inflation is multipartite; it hangs over the capital, it hangs over the provinces. I encourage you however to expand cooperative education by encouraging more institutions to enter the field, by strengthening existing programs, and by soliciting greater employer participation. I acknowledge this will require allocation of a certain amount of new dollars when the legislative tenor is against such allocations. I hasten to state, however, that my proposals would generate tax revenues substantially higher than the subsidies suggested, while encouraging a form of education whose time, it must be acknowledged, has finally arrived.

I have several recommendations. I urge the revision of Title VIII of the Higher Education Amendments of 1976 to provide for the conversion of a selected number of urban-based institutions to large-scale cooperative education programs. Further, I call for the establishment of supplementary administrative grants to serve as incentives to institutions in attracting as many students as possible to the cooperative way of education, and I suggest combination of the Section 802 and 803 authorizations into a single appropriation. I would also ask for revision of Title IV-C of the Higher Education Act of 1965 to permit the use of Work-Study monies in the private sector of employment.

Via Title VIII, and legislation which preceded it, the Federal government has provided incentive grants in effect encouraging hundreds of colleges and universities to initiate cooperative education programs. These grants, as currently operative, provide a decreasing level of Federal subsidy during the first five years. It is in these first five years that "start up" costs are heaviest. The present legislation does not provide for additional assistance once the initial phase is complete. Federal funding of cooperative education to date has produced clear evidence of widespread interest in the cooperative form of education. But few institutions have converted totally to the cooperative model, and few have progressed toward more comprehensive models. Most offer elective, optional programs enrolling relatively few students. New Federal support is needed if this promising revolution in American education is to be deeply established and made available to a larger segment of the college and university populaiton.

Cooperative education, a time-tested form of education linking educational and human resources, can creatively serve the needs of urban centers and, most particularly, the youth in these urban areas, while at the same time accomplishing some of the major goals of colleges and universities located there. The cooperative model of professionally-directed and personal decision-making has value for and application to both urban and institutional initiatives. The structured combination of study and work can enrich the urban community, recruit workers into the urban labor market, and make living and working in the cities more attractive. All these specifics lead to a fuller fulfillment of the American goals of equal opportunity and equal access for all of its citizens.

Regarding the urban environment, and given the fact that Chairman Ford has introduced, with others, the Urban Grant University Act, may I parenthetically, but strongly, endorse that particular piece of legislation. Under this act, universities like Northeastern would be eligible for funds to work closely with local government and use the tremendous applied research and academic resources of universities to help address urban needs. Such legislation is fully consistent with President Carter's Urban Program and would encourage local cooperation in solving urban problems.

Returning to consideration of Title VIII, I recommend it be modified to provide adequate funds for the substantial conversion to the cooperative education model of a number of complex universities located in urban centers throughout the nation. This recommendation does not dilute, nor does it diminish, the importance of cooperative endeavors in nonurban areas throughout the land. It is not a replacement for the current funding emphasis. Rather it addresses a most immediate additional need to better the urban environment, with the realization that cooperative education is a method toward that betterment and also reflects historic evidence that large, complex programs can be more productive in attracting large numbers of students into cooperative education.

To accomplish this conversion, the Congress should authorize the appropriation, in Section 801, of substantial monies to enable the Commissioner of Education to make grants, pursuant to Section 802, to institutions of higher education, or to combinations of such institutions, for the planning, establishment, expansion, or carrying out, by such institutions, of cooperative education programs, and for making training, research or demonstration grants pursuant to Section 803.

I would recommend the appropriations be authorized on the following schedule:

Fiscal year 1981, $ 56,500,000
Fiscal year 1982, $ 65,000,000
Fiscal year 1983, $ 74,500,000
Fiscal year 1984, $ 85,000,000
Fiscal year 1985, $ 96,500,000
Fiscal year 1986, $101,000,000
Fiscal year 1987, $104,500,000
Fiscal year 1988, $108,000,000
Fiscal year 1989, $109,500,000
Fiscal year 1990, $110,000,000

(The method of generation of these authorization figures, and their substantiation, will be addressed in later testimony by Roy L. Wooldridge, vice president for cooperative education at Northeastern and president of the National Commission for Cooperative Education.)

It is recommended that the authorization for Sections 802 and 803 be combined into a single appropriation which will allow the Commissioner greater flexibility in making awards for demonstration grants to implement large-scale cooperative education programs in urban centers.

Moreover, I recommend that, in Section 802, from the sums appropriated pursuant to Section 801, the Commissioner be authorized to make grants to institutions of higher education in amounts not in excess of $300,000 for any fiscal year, and to combinations of such institutions in amounts not to exceed an amount equal to the product of $250,000 times the number of institutions participating in such combinations, for any fiscal year. I further recommend the retention of the percentum funding formula contained in the present law.

As to Section 803, I would recommend addition of the word "Demonstration" to the title. I suggest replacing the existing section with this wording: "From the sums appropriated pursuant to Section 801, the Commissioner is authorized to make grants to, or contracts with, institutions of higher education, and combinations of such institutions, and to make grants or contracts with other public or private nonprofit agencies or organizations, when such grants or contracts will make a particularly significant contribution to attaining the goals of this section which are (1) the training of persons in the planning, establishment, administration or coordination of cooperative education; (2) the establishing of projects demonstrating or exploring the feasibility or value of innovative methods of cooperative education; or (3) research into methods of improving, developing, or promoting the use of cooperative education programs in institutions of higher education.

I recommend adding a new section to the title, Section 804. This section will permit the Commissioner, pursuant to Sections 801, 802, and 803,to authorize an expenditure of $200 per cooperative education student per year to institututions with on-going cooperative education programs, an expenditure to be adjusted annually to the cost of living. These would serve as administrative sustaining grants, to establish incentive for and encouragement toward extending the cooperative education plan, and its benefits, to the greatest number of students.

Based on the philosophy of providing funds as seed money for the establishment, expansion, strengthening, or carrying out of cooperative education programs, this authorization would allow institutions to stabilize and perfect programs initiated earlier with administrative start-up grants and to experiment with innovative approaches to cooperative education, approaches such as extending cooperative education to the graduate level, to adult education, and to international exchanges through multinational corporations. Cooperative education, by its very nature, requires substantial expenditure beyond those found in a regular, a noncooperative academic program. In-depth personal and occupational counseling of students prior to job placement, and upon return from employment, is an essential aspect of an effective cooperative education system. In addition, a substantial professional staff is required to seek out prospective employers and to assist employers in designing employment opportunities which have the maximum educational advantage for students.

I realize this recommendation represents a substantial amount of funding. However, it is entirely consistent with Congressional and Executive desires to balance budgets and to combat inflation for there is a guaranteed return to the Federal government. For each $200 granted, there is a return of some $600 in tax income. Therefore, I argue that the more students placed in the cooperative education venue, the more the Federal goverment benefits financially.

Let me speak now to Title IV-C. The College Work-Study Program provides supplemental income to students demonstrating financial need; it does so by providing jobs in nonprofit agencies and institutions.

Student salaries are supported (subsidized), up to 80 percent, by the Federal government. We must be concerned about the Work-Study Program, however. According to U.S. Office of Education data, some 85 percent of the students on Work-Study do not leave the campus of their college or university. They remain oncampus as part of the institutional work force. There is a danger of decline in quality in the nature of work assignments. We must beware the increasingly unchallenging aspect of some of these assignments. Also, Work-Study funds are administered through the college or university financial aid office. Professional focus and time constraints mandate that the priorities of financial aid officers be placed necessarily on financial aid, not on placement. There must be more concern, under Work-Study, with placement in career-related jobs and this is where cooperative education can play an important role.

The Federal government, in recent improvements in the CETA Program, has recognized the need to provide experience in the private sector of employment. So too should Work-Study be modified to permit access to the enriched work experiences available in the private sector of the economy. A greater flexibility in the use of Work-Study funds would allow colleges and universities to use Federal dollars as leverage in obtaining additional funds from private employers, and thus increasing financial resources available to students. This expanded use of Work-Study funds would be significant in the development of jobs in urban areas. Also it complements the revisions suggested for Title VIII.

An expansion of Work-Study into the private sector will not infringe on current labor structures, nor will it diminish the jobs available to nonstudents. Rather, its long-run consequences would be beneficial to labor via an expansion of the labor market, particularly in urban America, and an increasing of the pool of available trained workers. Earlier I spoke of the declining demographics of 20-year-olds in the future work force. An expansion of Work-Study would maintain a substantial number (some 50 percent) of this age group in the work force in critical jobs, at a time when they might otherwise drop out of the work force to pursue, full-time, a higher education.

I have two specific recommendations regarding Work-Study: First, the Congress should authorize the Commissioner to permit 20 percent of the Work-Study funds appropriated each year to each institution to be made available for implementing College Work-Study contracts with the private employment sector. The funds would be authorized to be used to subsidize student salaries up to 50 percent, similar to the formula used in On-The-Job Training. This would encourage more private sector employers to take advantage of cooperative education, and as a needed outcome, would provide meaningful jobs for students. This is not an inflationary request because it is not a request for additional funds. Rather it is a request for reallocation of existing funds.

Secondly, I recommend that of this 20 percent application of Work-Study funds for developing jobs in the private sector, 25 percent be authorized for use by the institution to help underwrite cooperative education program costs. Asking institutions, through their financial aid officers, to develop a new spectrum of job opportunities in the private sector is putting a new developmental burden on the administration of these institutions. However, it is fair to recognize and encourage this administrative development because the effect is to make more student aid dollars available. For non-cooperative education colleges, entire new mechanisms would have to be developed; for cooperative education institutions there would be need to augment staff to expand job placement efforts in the private sector.

I have welcomed the opportunity to address this subcommittee on the specifics of Title VIII and Title IV-C. Congressional support of the revisions I propose would be evidence of high national priority being given to cooperative education as a concept which meets the nation's educational needs at this time in its history, and as a supplementary or alternate method for financing college costs.

Thank you.

STATEMENT OF ROY L. WOOLDRIDGE, PRESIDENT, NATIONAL COMMISSION FOR COOPERATIVE EDUCATION, BOSTON, MASS.

Mr. WOOLDRIDGE. Mr. Chairman, I am Roy Wooldridge, president of the National Commission for Cooperative Education, representing some 350 college institution members and 70 employer members. I am also vice president for cooperative education at Northeastern University in Boston where we have, as President Ryder has indicated, 8,000 upper class students currently participating in the program.

With your permission, I will not read my statement. I will work from a few notes to summarize my statement and the tables that accompany it because I realize time is getting short. My remarks are going to be confined to the title VIII positions that were just mentioned by President Ryder and not directed to the IV-c (o) work study-portion of it. I will try to present the figures that back up the specific recommendations contained in his paper.

Let me summarize first by saying there were four different positions really that we, the National Commission, are asking Congress to consider with respect to title VIII: No. 1, under section [illegible], to give more flexibility to the Commissioner of Education through a lump sum authorization. In the past the authorization has always been split between the administrative grants, on the one hand, and research and training and demonstration on the other.

And we say in the new legislation give one lump sum appropriation each year, in order to give the Commissioner more flexibility in making grants.

The second thrust would be to preserve under 802, which is the section that addresses itself to the administrative kind of grant, a continuation of the 5-year funding limitation that, as Ms. Salisbury indicated, in 1976 was increased from 3 to 5 years.

But we do ask for an increase in limits. We think it would be wise, particularly in light of inflation and the need to have institutions on a much larger scale than before go into cooperative education, Mr. Chairman, to have new limits of $300,000 instead of $175,000 per institution or $250,000 per institution that apply as part of a consortium.

And we would retain the decreasing formula; forcing self support over the 5-year period of Federal funding wherein each year the institution is required to produce a larger percentage of the budget for the operation of the co-op program over the 5-year period. That is the second thrust.

The third thrust that we asked for is the addition of a new dimension of demonstration grants, as President Ryder mentioned, modifying the title of section 803 to include demonstration. Although it is in the current wording of 803 as it now stands on the books, Mr. Chairman, but it does not appear in the title at the front of section 803. We just think it would strengthen the Commissioner's hand if this were so done.

Fourth, and finally we have asked for a new section 804 and that is the general financial support to institutions that offer the cooperative program on the basis of $200 per student per year. And I will defend in a moment where we obtained the $200 per year per student.

I would hasten to add, as did President Ryder, that all of this is really noninflationary because the Federal taxes more than offset the expenditures. In my tables I will attempt to show you how that is done. But there is one statement I would like to make that is not contained in the tables.

And that is if we assume that this legislation would be funded over a 10-year period and at the levels we have suggested here, which I realize is at a longer period than normal legislation would be written but if you add up all the dollars I have on my charts in appendix A and appendix B, the Federal Government would have spent at the end of 10 years $912 million. That is a total expenditure for co-op education of $912 million.

And that will produce a program in place where students would earn $2 billion a year in annual earnings. In other words, the one time investment over a 10-year period of $912 million produces a program which each year from that point on produces $2 billion worth of student earnings. So, you can see it becomes a significant student aid program.

Moving on rapidly to my two charts, appendix A and B at the end of my paper, I would just like to say in section 1 of the chart I attempted to develop a pattern, a potential pattern for a program where we would take seven of these so-called urban institutions at $500,000 each institution for year—that is where the $3.5 million comes from, seven times the $500,000 each year—follow the progress of those institutions—assuming constant funding of $500,000 a year over a 5-year period, to get them completely moved into a co-op education program.

And I am assuming in this chart that the next year we do move another seven in so we would have a total of 14 institutions involved and then another seven. In other words, seven each year over a 5-year period or a total impact on 35 institutions over what I projected to be a 10-year period because of the phasing in and out of institutions.

I have drawn the totals for you at the end of section 1 showing the millions of Federal dollars that would be necessary if you add up the columns.

In section 2 I have dealt with the current so-called administrative grant for which we are now asking the lump sum to be appropriated. But that is for the administrative grants at a constant $10 million a year. I have not attempted to allow for inflation—I am sure there would be some concern about that in the future, but just in order to draw some reasonable totals—and the current $3 million a year that goes into research and training, which might be at a constant level.

Again, I have totaled those two areas under section 2. I have then taken what President Ryder proposed in the $200 per year per student institutional aid. In order to get those figures, you have to look at table B where I developed the enrollment figures, because without enrollment there is no figure to multiply the student per year costs by.

At the bottom you will see that we have assumed that the institution in the first section might go from 300 students to 750, to 1,250, ending up at the end of the fifth year with about 3,000 students in the program. I applied those figures back into the table above.

The current trend of $12 million a year funding of co-op is producing a growth rate of about 20,000 co-op students a year. I applied that to the current 200,000 under other enrollments and I have arrived at the bottom line under appendix B which is the total: ending up with approximately one-half million or 485,000 students that would be part of the program over the 10-year cycle.

So, taking those figures, I go back and multiply by $200 a year per student. And assuming all institutions would apply for the money, that would be the institutional aid total, on the section 3 line from the Federal Government. Add it all up and you get the total U.S. Office of Education appropriation each year, which are the same figures contained in President Ryder's presentation.

And I guess the final thing and maybe the most important thing from the monetary point of view is the final line which indicates that with $600 per year paid by the students in a co-op program—and that breakout incidentally is $130 a year for Federal income taxes, $245 for the social security or FICA tax paid by the student and the same $245 that is matched by the employer: Adding up to $620 in Federal taxes a year generated by each of these jobs.

So, I just took the round number of $600 and multiplied that by the number of students. And you can see in each case the income coming into the Federal Government each year far surpasses the amount of money that we are asking to be appropriated. It is not unlike the G.I. bill after World War II where the additional earnings allow those young people to pay more income taxes back than was extended.

The trouble with that is the Federal Government had to wait a number of years for that to happen. I am saying with this program it happens every year as the program goes along.

I appreciate the opportunity to make my remarks to you and if you have any questions or comments, I would be delighted to answer them.

Thank you.

[The full statement of Roy L. Wooldridge follows:]

Statement By

Roy L. Wooldridge
President, National Commission for Cooperative Education

and

Vice President for Cooperative Education
Northeastern University, Boston, Massachusetts

Before the

Subcommittee on Postsecondary Education
Committee on Education and Labor
House of Representatives

April 26, 1979

Mr. Chairman and distinguished members of the subcommittee:

My name is Roy L. Wooldridge. I am President of the National Commission for Cooperative Education, which is a private, non-profit agency with a supporting membership of 350 institutions and 70 corporations. I am also Vice President for Cooperative Education at Northeastern University, which is the nation's largest cooperative education institution, with 8,000 full-time students participating in the program. I welcome this opportunity to offer specific recommendations on revisions to Title VIII of the Higher Education Amendments of 1976.

The previous testimony presented recommendations for revisions to Title VIII of the Higher Education Amendments of 1976 and to Title IV-C of the Higher Education Act of 1965. My remarks are directed at a more detailed explanation of the changes regarding the Title VIII cooperative education program. To begin, let me summarize our position on Title VIII.

We recommend that the separate authorizations for administration, which includes developing, expanding, and strengthening cooperative education programs, and for research, training, and demonstration be combined into one authorization to allow the Commissioner greater flexibility in awarding grants aimed at the large-scale adoption of cooperative education programs at urban-based institutions. To accomplish the objectives outlined in Dr. Ryder's testimony, the following annual authorizations are necessary: 1981-$56,500,000; 1982-$65,000,000; 1983-$74,500,000; 1984-$85,000,000; 1985-$96,500,000; 1986-$101,000,000; 1987-$104,500,000; 1988-$108,000,000; 1989-$109,500,000; 1990-$110,000,000.

The federal government's involvement in cooperative education has been mainly for the purpose of providing seed money to institutions for beginning and developing programs. Our recommendations seek to add a new dimension to the federal commitment that will permit cooperative education to serve as a key function in linking our nation's educational and human resources toward the goal of an educated and productive society.

We are advocating revision in Title VIII legislation that will permit greater flexibility in the awarding of grants. This flexibility is needed in order to permit the large-scale adoption of cooperative education at urban-based institutions through demonstration grants while preserving the integrity of research and training grants and not jeopardizing the further development of cooperative education at smaller urban and rural institutions. We recommend the retention of the percentum funding formula because it requires self-sufficiency after five years and necessitates long-range institutional, philosophical and financial commitment to and planning for the program. It is also recommended that the specific institutional and consortium per institution funding limits be raised to $300,000 and $250,000 respectively to allow for the innovation and expansion of cooperative education.

This greater expansion will inevitably result in heavier demands on the U.S Office of Education for technical assistance in monitoring and liaison function, and therefore, will require increased staffing.

The compelling evidence that demonstrates the importance of cooperative education on the undergraduate level leads us to propose the expansion of cooperative education into the graduate level, the sphere of adult education, and the realm of international exchanges through multi-national corporations. The development of an effective cooperative education program requires administrative expenses greater than those experienced by academic departments. Such essential components of a cooperative education program as career and personal couseling of students before and after their work assignments, job development and maintenance of relations with employers, training of faculty and staff, revising curriculum and revamping other institutional functions such as housing, athletics, admissions to accommodate an alternating calendar pattern escalate the cost to an institution. Therefore, it is recommended that under Title VIII, grants of $200 per student per year be awarded to institutions to help underwrite the continuing expense of their cooperative programs and to promote innovation and expansion. Our experience at Northeastern University where 8,000 students co-op each year, is that it costs the institution $233 per student per year. This proposal puts a premium on large-scale cooperative programs, which research has shown that programs tend to become more cost effective if they enroll a substantial portion of an institution's student body. This is not an inflationary recommendation because the expenditures are far exceeded by the income the federal government receives from the taxes paid by students on their co-op earnings.

The attached appendices explain the impact of these recommendations.

SECTION I

This section graphically illustrates the impact of the urban initiative demonstration projects. A number of assumptions have been made in the formulation of this chart: (1) seven urban-based institutions will enter the project each year for five years beginning with fiscal 1981, and by 1989, thirty-five institutions in different urban centers will have participated; (2) each institution will receive five years of funding, therefore, the last group of seven institutions will receive its first funding in fiscal 1985 and its last in 1989; (3) each institution will be able to receive up to $500,000 a year for five years.

By way of a specific example, our next panelist is Father Malcolm Carron, president of the University of Detroit. His institution is currently preparing for the conversion to a massive cooperative education program. Father Carron's remarks will clearly demonstrate the validity of these recommendations.

SECTION II

The computations for Section II are based on a $10,000,000 annual appropriation for administrative grants beginning in fiscal 1981 and continuing through fiscal 1990. The continuation of funding this type of grant is essential to sustain the development and expansion of programs at institutions that do not fall into the urban-based large institution category.

This section also shows a $3,000,000 annual appropriation for training and research. Extensive training activities are vital to the future of cooperative education. Currently fifteen federally-funded training centers throughout the country provide services to professionals in the field that are unmatched in any other discipline. Similarly, research on employer benefits and student outcomes is critical to the advancement of cooperative education. The challenging and changing demands of students and employers require the continuation of intensive training and research if cooperative education is to maintain its exemplary role in higher education and the corporate community.

SECTION III

Section III reflects the concept of federal assistance to institutions to help offset the administrative costs of operating a cooperative education program. These figures are based on enrollment projections that are shown in Appendix B. Cooperative education experiences an annual growth of approximately 20,000 students. Therefore, it is reasonable to assume that by fiscal 1990, 380,000 students will be enrolled in cooperative education programs at institutions receiving regular administrative grants. Add to this those students participating in the program at institutions that receive demonstration grants, and by 1990, the total enrollment of cooperative education students will be 485,000. Multiplying each year's total cooperative education enrollment by $200 results in the figures presented in this section.

The projected enrollments at the institutions participating in the urban initiative are based on the estimate that 300 students will participate in the first year, 750 the second year, 1,250 the third year, 2,000 the fourth year, and 3,000 by the fifth year.

SECTION IV

This section shows the total federal expenditure each year for Title VIII. These are conservative figures and do not account for inflation.

SECTION V

This section indicates the total federal taxes paid by cooperative education students each year. These figures are based on an average annual salary of

$4,000 on which approximately $600 in federal taxes is paid as a result of the employment of cooperative education students. These figures dramatically show that each year the taxes far exceed the amounts being requested from the government to operate programs of cooperative education.

INSTITUTIONAL FUNDING
35 URBAN CENTERS
(IN MILL'ONS OF DOLLARS)

SECTION I

Total # of schools	FY 1981 1st	FY 1982 2nd	FY 1983 3rd	FY 1984 4th	FY 1985 5th	FY 1986 6th	FY 1987 7th	FY 1988 8th	FY 1989 9th	FY 1990 10th
7	3.5	3.5	3.5	3.5	3.5					
14		3.5	3.5	3.5	3.5	3.5				
21			3.5	3.5	3.5	3.5	3.5			
28				3.5	3.5	3.5	3.5	3.5		
35					3.5	3.5	3.5	3.5	3.5	0
TOTAL	3.5	7.0	10.4	14.0	17.5	14.0	10.5	7.0	3.5	0

* * * * * *

SECTION II

ADMINISTRATIVE GRANTS	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
RESEARCH AND TRAINING GRANTS	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0

* * * * * *

SECTION III

$200/STUDENT	40.0	45.0	51.0	58.0	66.0	74.0	81.0	88.0	93.0	97.0

* * * * * *

SECTION IV

TOTAL U.S.O.E.	56.5	65.0	74.5	85.0	96.5	101.0	104.5	108.0	109.5	110.0

* * * * * *

SECTION IV

FEDERAL TAXES $600/STUDENT	121.0	136.0	154.0	174.0	199.0	222.0	244.0	263.0	279.0	291.0

* * * * * *

APPENDIX B

COOPERATIVE EDUCATION STUDENT ENROLLMENTS
(IN THOUSANDS)

	FY 1981 1st	FY 1982 2nd	FY 1983 3rd	FY 1984 4th	FY 1985 5th	FY 1986 6th	FY 1987 7th	FY 1988 8th	FY 1989 9th	FY 1990 10th
Enrollments due to Demonstration grants*	2	5	9	14	21	21	21	21	21	21
		2	5	9	14	21	21	21	21	21
			2	4	9	14	21	21	21	21
				2	5	9	14	21	21	21
					2	5	9	14	21	21
TOTAL	2	7	16	30	51	70	77	98	105	105
Other Co-op Enrollments	200	220	240	260	280	300	320	340	360	380
TOTAL CO-OP ENROLLMENTS	202	227	256	290	331	370	406	438	465	485

*Projected enrollments at institutions participating in the urban initiative are based on the estimate that 300 students will participate in the first year, 750 the second year, 1,250 the third year, 2,000 the fourth year, and 3,000 the fifth year.

STATEMENT OF MALCOLM CARRON, S. J., PRESIDENT, UNIVERSITY OF DETROIT

Father Carron. Mr. Chairman and distinguished members of the subcommittee, my name is Malcolm Carron. I am president of the University of Detroit. My remarks are directed toward the administrative and academic changes necessary for an urban institution to adopt a large-scale cooperative education program and the inherent costs encountered in such a radical change.

The University of Detroit, founded in 1877, is an independent university operated by the Jesuit Fathers with an enrollment of over 8,000 students, of which approximately half are full-time undergraduates in architecture, business, education, engineering, liberal arts, and science. We offer master's degrees in 28 programs, doctorates in chemistry, engineering, English, and psychology, and professional degrees in law and dentistry.

The board of trustees of the University of Detroit is committed to serve the needs of its urban constituency. This commitment is manifested in an education program that is designed to deal with urban, interracial, and cross-cultural problems and the problems of justice in the city and world. In 1978 black students represented over 20 percent of the student enrollment and 95 percent of the students in four of our basic colleges and the law school were from the metropolitan Detroit area.

Cooperative education has been an important part of the university's academic program for almost 70 years. Since 1911 it has been a requirement in engineering and each of the 10,000 engineers graduated since then has been a cooperative education student. Today, cooperative education is required in architecture and is an option program in business, arts, science, and the graduate school. Over 30 percent of the university's 1978 baccalaureate graduates participated in the program.

For several years the University of Detroit has been aiming toward the goal of incorporating participation in the cooperative education program as a degree requirement for all of our students. In order to do this, we would expand the existing programs in liberal arts, business, and sciences, strengthen it in engineering and architecture and initiate cooperative education in the school of law.

To achieve this goal will necessitate massive changes within the institution, and we are confident that the University of Detroit is prepared to make the conversion to a cooperative education institution a success.

The university's national position in cooperative education is well recognized. The professional staff of the university's cooperative education division represents over 50 years of administrative experience in all phases of cooperative education: liberal arts, business, science, engineering, and architecture. Its director, Donald C. Hunt, has been president of the Cooperative Education Association, chairman of Cooperative Education Division of the American Society for Engineering Education, recipient of the Herman Schneider Award for outstanding contributions to the advancement of the philosophy and practice of cooperative education programs, and a recipient of honorary degrees from the University of the Pacific and the Milwaukee School of Engineering for leadership in the cooperative education movement.

This ambitious undertaking will require the total involvement of every aspect and function of the University. The faculties in business, arts and sciences will have to revise their curriculum from a traditional "nonpragmatic" approach to a realistic evaluation of the practical application of their courses to the world of work. This will necessitate extensive faculty orientation and training to prepare them for teaching and counseling an entire student body that is in a cooperative plan of education.

With the assistance of experts in the field of cooperative education, the director of cooperative education will conduct a series of formal training institutes to familiarize the faculty with the internal and external requirements of implementing a large-scale cooperative education program. Released time faculty will be appointed from appropriate academic areas to assist the cooperative education staff in counseling students entering the program, stimulating faculty contact with business, industry and government, and supervising students on work assignments.

Similar training institutes will be conducted for university administrators to acquaint them with the innovative techniques necessary for the administration of a cooperative education institution with regard to off-campus registration, financial aid, veterans affairs, recordkeeping, course and classroom scheduling, student affairs, insurance coverage, and faculty relations.

The recruitment of students to the university will be geared toward marketing the University of Detroit as a cooperative education institution. The admissions staff will participate in training institutes and an admissions coordinator will be appointed to serve as the cooperative education expert in the recruitment of students.

This individual will be responsible for the continued development of cooperative education with the high school counselors and for liaison with all of the cooperative education coordinators regarding developments in admissions. Coupled with this will be the initiation of an extensive program throughout the metropolitan Detroit area for training of high school counselors in the functions, advantages and educational benefits of cooperative education. Additionally, this heightened activity will require the hiring of more staff in the university's cooperative education division.

The support of employers has been strong and continuous since 1911 when the program began at the University of Detroit and has become much more diversified since the optional cooperative education programs were started in arts, business and science. The university is know throughout the Detroit business community as a "co-op" institution, and it is on this highly regarded reputation that the university will expand the opportunities for arts, business and science students.

The legal community of the courts, the law enforcement officers and the practicing attorneys all support the concept of cooperative education as recently presented by the American Bar Association in its statement regarding the integration of the study of law and the practice of law.

The university has been encouraged by this support of the legal profession and especially from its alumni who hold 60 percent of the judgeships in the metropolitan Detroit area. At present there are 225 employers actively involved in hiring University of Detroit cooperative students and an additional 125 have had cooperative students during the past 3 years.

These 375 employers plus the members of the legal profession would form the basis for the expanded cooperative education programs.

Based on our costs, we project such an undertaking as I have described would have added costs of $350,000 to $450,000 per year for 3 to 5 years. The length of time needed to make the total conversion to cooperative education would depend to some extent on favorable economic conditions.

I think it is evident from my remarks that I am totally committed to cooperative education and I am sure that in the near future, the University of Detroit will become a total cooperative education institution.

Mr. FORD. Thank you very much. The staff has just cleared it up for me. I was puzzled by where the initiative was coming from for the urban concentration of funds in this program. I had just called to my attention the fact that the Secretary of HEW had asked us for a technical amendment to the program as one way to approach the problems of the urban schools by shifting the money in a way that would, as Ms. Salisbury indicated, if we did nothing else, when we are dealing with a finite amount of money, certainly we should do this.

I take it that one of the concerns with schools that have been in cooperative education for some time is that the 5-year period leaves you cut off at the time that the program is going well.

Dr. Ryder has suggested an alternative I would like you to think about—presumably off the top of his head. What if the university was permitted to stagger its co-op program so instead of having 5 years per institution, it was for the schools within the institution. So, you started the co-op program and then it would trigger it again for another period of time with another one of the schools or a combination of the schools within the university. Would that be a method of permitting the larger schools with more complex programs to continue in the program without dislocation of the funds for the small schools?

Mr. RYDER. Congressman, I think this would be a distinct advantage over the present system because it would allow planning according to the needs of individual programs. I do think, however, that there is an aspect that must be considered and that is that no institution, whether one is at the end of its 5-year, startup period or one like Northeastern that is 75 years along the road, can be said to be fully matured and developed.

I have delayed for several years funding proposals for improvements of counseling for students and integration of career development programing with co-op because the annual cost was going to be increasingly at $80,000 yearly accumulated for several years.

I am at the present time sitting on several plans for the development of an adult oriented co-op program specifically tailored for people at baccalaureate level to serve people in midlife who would need that same kind of integrated education and experience as they perhaps change careers or are returning to employment. In all of these areas developmental money is needed.

I think we also must recognize cooperative planning is not traditional. And in all institutions, no matter how well established, there is continued pressure from the faculty to revert to more traditional plans that have students around the whole academic year. And there needs to be incentive to institutions to maximize the numbers of students attracted to the cooperative plan.

What the legislation Congress initiated has done is produce a dramatic revolution, with nearly one-third of the American colleges in one form or another having co-op on campus. But most programs developed are fragile. The mostly involve an average of 50 or 80 students per campus. They have begun and the concept is accepted, but there is a continued sustained need for the development, or what will happen under tight money times is many of these institutions will slide back, and the promising beginning will not in effect be realized.

So, we do feel that whatever the elongation of the startup grant period, that there is a critical need for some sustaining adminstrative costs to further prime the pump and really accomplish what could be done.

Mr. **Ford.** I appreciate the two charts that you gave us. I am scheduled at 2 o'clock today to testify before the Appropriations Committee in an attempt to justify the legislation we have on the books and to try to get some money for it. And I expect to have a hour between now and then being primed for the questions that I am sure I am going to get.

But the way in which you have worked out the figures has great appeal to me because nothing succeeds around here quite as well as so-called the cost-benefit ratio reduced to its lowest common denominator, which is how many Federal dollars go out and how many come back.

It is an interesting approach to an explanation of the real costs in terms, unfortunately, that are more understandable to our colleagues than the question of the value to the country of access to education for people who otherwise would not have it. It also appears to me that this committee recently has very strongly and unanimously reaffirmed its concern for the independent college student in the confrontation that took place just a few weeks ago that turned out well for the independent student.

What we are really talking about here is another program that recognizes, I would gather, that virtually all of the students that would be involved here would be presumptively in the category of independent students.

Mr. **Ryder.** They are virtually all self-supporting.

Mr. **Ford.** I am also aware of the concern, because I hear it at every educational conference that I talk to, about the poor liberal arts colleges fading away into the dark past because no one will be interested any longer if we keep doing things differently than we have in the past.

My own feeling is that we will always have on college campuses, even when we quit building ivory towers, people who resist change. And in this instance they are just not looking at the figures and they are trying to resist evolution.

And the facts are all before us. This committee for several years, and particularly during years when Mr. O'Hara was chairman, started concentrating, in anticipation of where we are now, on where the student population was going to come from if we were going to continue to have the variety of schools in place where they are now across the country.

It is unrealistic to assume that you can make such a complete adjustment with the returning student or the older student that you will fill the vacuum entirely, but it is very clear that the schools that are willing to adapt to the change in the population and the change in consumer market for education are the ones that are going to survive, whether they be large or small.

And I am very happy to see Malcolm Carron here again this morning. He was president when Mr. Buchanan and I thoroughly compromised ourselves with respect to our prejudice in favor of urban university at hearings in Wayne. Maybe it is because we both have contacts with institutions that have urban-based populations that are easy for us to observe and easier for us to understand than perhaps other people without them.

But I suspect is we fool around with a program that is going to take any money from the small schools in Kentucky and put it into urban universities, we will be in real trouble at the full committee.

Mr. RYDER. Could I suggest——

Mr. FORD. Ms. Salisbury, I am sure, is going to call on the chairman before she leaves.

Mr. RYDER. We would hope the Congress would have that in mind and would raise the level of appropriation closer to what has been authorized. I think you realize the authorizaton is currently $28 million and the President's recommendation has been $15 million for current funds.

Several organizations have proposed $20 million at least be appropriated this year. We would strongly recommend that that direction allow both of these important interests to be served.

Mr. FORD. Well, one of the statements made mention someone, and I assume it was Lee Kornfeld, although he was not mentioned in the statement, who, in speaking before an education group, pointed out that currently the guaranteed student loan program was costing over the life of the loan approximately $700 for a $1,000 loan and making a comparison between the return on that kind of funding against programs such as this.

I hope we can keep them as complementary approaches, although the one dramatic change that the administration seems to be prepared to ask for during this reauthorization is a change away from the guaranteed student loan program that is producing that tremendous, frankly—and this is one person who has accepted their figures on it—windfall for the banks that have been able to recognize that there was big money in providing guaranteed student loans.

And they have developed an example for us that shows with a relatively small investment you can pyramid that investment in a way that even bankers find astounding. That gives you some indication of how difficult it is to change because I suspect the ABA will be in here very quickly after the 'ministration's proposal is put on paper and tell us we are going to destroy the American banking industry if we do this, in spite of the fact they have complained longer and louder than anybody else about the difficulty in dealing with Federal redtape.

I want to thank the panel. And I particularly want to thank Dr. Ryder for his assistance to the staff in developing for us this part of the record. You have done a good job of giving us a cross-section of people who could put in this record a very strong case for not only the continuance of cooperative education provisions of title VIII but also for an expansion.

I am not surprised that you have the foresight to extend your figures out to 1990. It is very difficult around here to get people to think of 1981; 1980 seems for some reason to have everybody's attention. We hope in considering this legislation we will be able to get some of our colleagues to think with us in terms of a decade ahead. The 1990's are close upon us.

It seems like a long time off but in terms of how long it takes these programs to evolve and produce results, it is not that very long at all. I do appreciate that sort of farsighted approach.

I would make the same appeal to you that I made to the librarians: If you have got a friend in Congress please talk to him or her as early and often as possible. We can use a lot of help.

Mr. Ryder. We will take you seriously on that. We are grateful for your courtesy. If any member of our staff can assist your staff in specifics of interpretation or supplementary wording, we would be delighted to help in any way.

Mr. Ford. One final comment before I yield to the gentleman from Alabama. Mr. Holmes, I was talking back and forth to the staff while we were going through your statement and it is remarkable how closely your presentation and your reasoning with respect to the relationship between the world of work and the ability of someone who has been in the work force to return to college and profit thereby parallels the statement that we got in Peking about their new idea.

And the way it was characterized to us was that it was going to be similar to the man walking on two legs: One leg being the traditional student and one a recognition that during the bad period of the cultural revolution many people were denied access to education and put into the work force who now have the desire and capacity to return.

And anything that can be accepted by the General Motors and the Peoples Republic of China simultaneously must in fact be based upon some great cosmic truth.

Mr. Holmes. We have had two delegations from the Peoples Republic of China to GM in the last 3 months.

Mr. Ford. They show a great deal of interest in trying to replicate a part of our system. So, they apparently have been favorably impressed by what they have seen.

Mr. Buchanan.

Mr. Buchanan. Thank you, Mr. Chairman.

I think they might have a good deal to learn from us. I would like to associate myself first with the chairman's remarks both in support of cooperative education and in sympathy with your testimony this morning and in thanking you for making this record. Ms. Salisbury, I might echo what the chairman said, that Kentucky is pretty well protected in our committee, in addition to which, we now have as the chairman of the Labor HEW Appropriations Subcommittee, the distinguished gentleman from Kentucky, Mr. Natcher.

So, I would think that it is probably a good thing for entities like the one you represent, Ms. Salisbury, that a couple of Kentuckians are well placed.

Ms. **SALISBURY**. Thank you, sir; and I agree.

Mr. **BUCHANAN**. I wonder if someone can tell me how many postsecondary institutions currently require participation in a cooperative education program?

Mr. **WOOLDRIDGE**. Do you want it broken down by areas?

Mr. **BUCHANAN**. I am trying to get some idea of the order of magnitude of the institutions.

Mr. **WOOLDRIDGE**. There are about 1,000 of the 3,000 higher education instituions, both 2-year and 4-year institutions, that offer coop.

Required co-op such as Father Carron described it?

Mr. **BUCHANAN**. Yes.

Mr. **WOOLDRIDGE**. The Engineering School of Detroit; probably like that, I am going to have to guess, 20 institutions of the 1,000. Most of the programs are optional programs. That is, the student arrives at the institution and then after arriving at the institution has the option of selecting a co-op program if he or she wishes.

In the mandatory program, such as engineering at Detroit and most of northeastern's programs, the institution offers only that. And if you really want a 4-year conventional education, then you go to some other institution.

Ms. **SALISBURY**. I am reading from the "Research on Co-op, 1977", conducted by Northeastern regarding the number of mandatory programs. It says:

> More community colleges run mandatory programs or programs with some elements operating on a mandatory basis and some on an optional basis, and the more senior college programs operate selective programs.

Statistics, can you read this real quick?

Mr. **WOOLDRIDGE**. Yes, 28 senior colleges and 65 junior, a total of 93. I wasn't close. According to this, twenty-eight 4-year institutions and eighty-five 2-year institutions, for a total of 93; whereas I was estimating the 20.

Mr. **BUCHANAN**. Can we have that study for the record?

Mr. **FORD**. Yes, without objection that will be submitted for the record.

Cooperative Education In the United States and Canada: 1977 Survey

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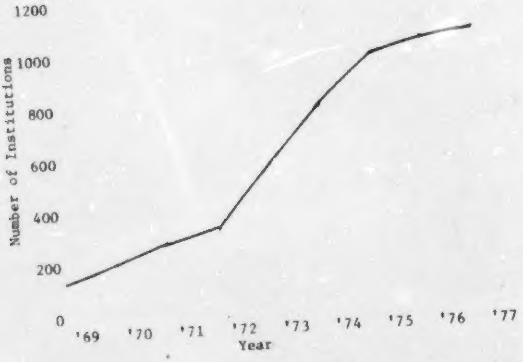
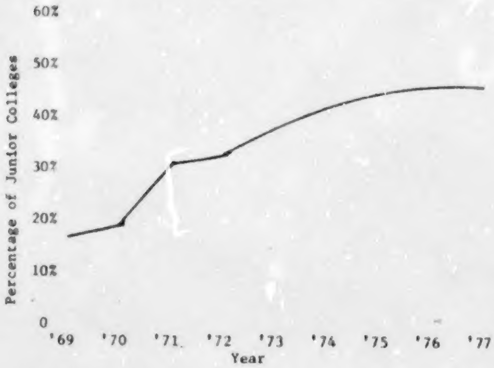
The expansion of cooperative education since the first annual survey, which was conducted by the Cooperative Education Research Center in 1969, has been remarkable - 730 percent. This growth is graphically represented in Figure 1. The curve shows not only the rapid

Figure 1
Population of Co-op Program by Each Year, 1969 - 1977



expansion of cooperative education programs, but also shows that the rate of growth has slowed substantially over the past two years. The net increase in the number of programs in 1976 was six percent and in 1977 was 2.6 percent. Of further significance is the relative expansion of programs in junior and community colleges, as compared to senior institutions. Figure 2 presents the percentage of the total population of cooperative programs which junior colleges represent for each year, 1969 through 1977. It shows that junior colleges have increased their participation in cooperative education from 17.6 percent of the population in 1969 to 46.6 percent in 1977. It also shows that this proportional expansion has leveled off over the past three years.

Figure 2
Percentage of Total Co-op Population
Constituted by Programs in Junior Colleges



Because junior and community colleges have become such a significant part of the total effort in cooperative education, it was decided to examine similarities and differences between them and senior college cooperative education programs. The data for these analyses are of two sorts: basic file data which are program data collected annually, which do not change at all or only slightly over a period of several years and which have been added to our computer file with updatings over the past several years; and supplemented data which were collected in 1977 for the first time in about six years. These data represent a 62 percent sample of the estimated population of 1054 programs.

As the analyses to be reported upon in the remainder of this article will show, there are numerous differences between senior college and junior college cooperative education programs. There are also a number of important similarities. The first item of comparison (and difference) is institutional control. The data of Table 1 show that nearly three quarters of all co-op programs are found in public institutions. Proportionally many more senior co-op programs are in private institutions, whereas many more junior college programs are in public institutions.[1] This is understandable since most two year institutions are community colleges.

TABLE 1
Institutional Control of Junior and Senior Co-op Programs

Institutional Control	Senior		Junior		Total	
	f	%	f	%	f	%
Public	304	54.0	445	90.6	749	71.1
Private	259	46.0	46	9.4	305	28.9

$X^2 = 169.398$; d.f. = 1; $P < .0001$

A. PROGRAM STATUS AND ORGANIZATIONAL CHARACTERISTICS

There are five items to be considered in this section: the current operational status of the program; the operating mode; to whom co-op is made available; the conditions of co-op availability, and the administrative organization of the program within the institution.

Table 2 presents the current operational status of programs. The data show that 62 percent of all programs judge themselves to be fully operational with an additional 27 percent in the initial stages of implementation. The X^2 value for the table is significant, showing that the overall responses of senior and junior colleges are reliably different. The primary reason for this significant difference lies in the greater proportion of senior colleges programs judged to be fledging.

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[1] The significance of this and other differences to be reported was tested by the Chi-Square statistic for two independent samples.

TABLE 2
Operational Status of Junior and Senior Co-op Programs

Operational Status	Senior		Junior		Total	
	f	%	*f*	%	*f*	%
Fully operational	332	59.0	322	65.6	654	62.0
Fledging	176	31.3	110	22.4	286	27.1
Planning, conducting feasibility study	42	7.4	45	9.2	87	8.2
No Response	13	2.3	14	2.9	27	2.6

$X^2 = 10.655$; d.f. $= 3$; $P < .02$

The single programmatic characteristic which best differentiates junior and senior college co-op programs is the operational mode. Junior colleges characteristically use the parallel plan, exclusively or in combination with other modes, and senior colleges characteristically use the alternating mode. The data of Table 3 show this clearly. Additionally,

TABLE 3
Operating Modes of Junior and Senior Co-op Programs

Operating Mode	Senior		Junior		Total	
	f	%	*f*	%	*f*	%
Alternating	237	42.1	54	11.0	291	27.6
Field	32	5.7	13	2.6	45	4.3
Parallel	28	5.0	96	19.6	124	11.8
Extended Day	3	0.5	13	2.6	16	1.5
Combination with Alternating (including Parallel)	147	26.1	144	29.3	291	27.6
Combination with Parallel (excluding Alternating)	40	7.1	105	21.3	145	12.8
Other	38	6.7	26	5.3	64	6.1
No Response	38	6.7	40	8.1	78	7.4

$X^2 = 194.102$; d.f. $= 7$; $p < .0001$

although the frequencies are relatively small, the greater number of field programs found in senior colleges and the greater number of extended day programs found in junior colleges contribute to the highly significant Chi Square value.

More senior colleges make cooperative education available to all students on campus, while more junior colleges make it available in a more limited number of curricula. These findings are presented in Table 4. These data also show that the large majority of both junior and senior college programs provide cooperative education work experiences to students in more than a single curriculum area. The data of Table 5 show that the majority of programs are also available to students on either a fully optional or selective basis (students must achieve a minimum academic average to qualify for participation). These data also show significant differences between junior and senior programs. The differences occur in three categories: more junior colleges run mandatory programs or programs with some elements operating on a mandatory basis and some on an optional basis; and more senior colleges operate selective programs. When these data are analyzed for trends over time, they show a significant trend from mandatory to optional programs.[2]

TABLE 4

Numbers of Curricula Participating in Junior and Senior Co-op Programs

Curricula Participating	Senior f	Senior %	Junior f	Junior %	Total f	Total %
All curricula	241	42.8	156	31.8	297	37.7
Most curricula	125	22.2	122	24.8	247	23.4
Few curricula	108	19.2	140	28.5	248	23.5
One curricula	48	8.5	34	6.9	82	7.8
No Response	41	7.3	39	7.9	80	7.6

$X^2 = 19.979$; d.f. = 4; $P < .0005$

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[2] A.E. Maxwell. Analyzing Qualitative Data. Methuen & Co. LTD, London, 1961.

TABLE 5
Manner of Availability of Co-op to Students In
Junior and Senior Programs

Availability of Co-op	Senior		Junior		Total	
	f	%	*f*	%	*f*	%
Mandatory	28	5.0	65	13.2	93	8.8
Optional	185	32.9	171	34.8	356	33.8
Selective	234	41.6	80	16.3	314	29.8
Some Mandatory, some Optional	64	11.4	133	27.1	197	18.7
Other	9	1.6	6	1.2	15	1.4
No Response	43	7.6	36	7.3	79	7.5

$X^2 = 111.791$; d.f. = 5; $P < .0001$

The final item to be examined in this section of the report is the position of cooperative education within the administrative organization of the institution. The data are summarized in Table 6. They show two principal models: a centralized program, reporting to the academic dean or vice president; and a program which is a function within an academic department, division, or college. The table, as a whole, shows a reliable difference between junior and senior colleges. Eighty-three percent of the X^2 value, however, is due to a single difference: significantly more senior colleges report that cooperative education is a function of the senior and alumni placement office.

TABLE 6
Administrative Position of Junior and Senior Co-op Programs

To Whom Co-op Reports	Senior		Junior		Total	
	f	%	*f*	%	*f*	%
President	19	3.4	20	4.1	39	3.7
Academic Dean or Vice President	215	38.2	189	38.5	404	38.3
Dean or Vice President Student Personnel	37	6.6	23	4.7	60	5.7
Placement Officer	33	5.9	2	0.4	35	3.3
Academic Department	151	26.8	145	29.5	296	28.1
Other	63	11.2	65	13.2	128	12.1
No Response	45	8.0	47	9.6	92	8.7

$X^2 = 28.308$; d.f. = 7; $P < .001$

B. OPERATING CHARACTERISTICS

This section of the report will focus on information relating to co-op job characteristics and credit awarding policies and practices. Table 7 presents data regarding the relationship between students' cooperative work assignments and their academic majors. The data show that over 80 percent of the programs report that all or most of their co-op jobs are related to the students' academic major. They further show that more junior colleges report that all co-op jobs are related and that more senior colleges report leaving the decision of job relatedness up to the student.

TABLE 7
Relatedness of Co-op Jobs to Student Academic Major For Junior and Senior Programs

Relatedness of Co-op Job	Senior		Junior		Total	
	f	%	f	%	f	%
All jobs related	180	32.0	187	38.1	367	34.8
Most jobs related	276	49.0	230	46.8	506	48.0
Difficult to find	24	4.3	29	5.9	53	5.0
Student decision	32	5.7	6	1.2	38	3.6
Non-related	1	0.2	--	--	1	0.1
Some yes, some no	7	1.2	1	0.2	8	0.8
No response	43	7.6	38	7.7	81	7.7

$X^2 = 23.577$; d.f. = 6; $P < .01$

As with job relevancy, about 80 percent of the programs report that all or most of their co-op jobs are paid jobs. Differences between junior and senior colleges are statistically significant at the .05 level but in practical terms they are small. These findings are summarized in Table 8.

TABLE 8
Co-op Job Compensation For Junior and Senior Programs

Co-op Job Compensation	Senior		Junior		Total	
	f	%	f	%	f	%
All paid	380	67.5	306	62.3	686	65.1
Most paid	67	11.9	97	19.8	164	15.6
Half paid, half voluntary	45	8.0	28	5.7	73	6.9
Most voluntary	17	3.0	12	2.4	29	2.8
All voluntary	9	1.6	9	1.8	18	1.7
Other	1	.2	1	.2	2	.2
No Response	44	7.8	38	7.8	82	7.8

$X^2 = 13.877$; d.f. = 6; $P < .05$

A significant trend over the past seven years has been the increasing number of programs adopting policies of awarding credit based upon cooperative work experience. The data of Table 9 show that 70 percent of all programs either award non-additive credit or award non-additive credit in some curricula and additive in other curricula.[3] Table 9 also shows ten percent more junior and community colleges award non-additive credit based upon co-op work experience than do senior colleges. The difference

TABLE 9
Credit Policies of Junior and Senior Co-op Programs

Credit Policies	Senior		Junior		Total	
	f	%	f	%	f	%
Additive	35	6.2	56	11.4	91	8.6
Non-Additive	326	57.9	335	68.2	661	62.7
Credit for projects	52	9.2	4	0.8	56	5.3
Both Additive and Non-Additive	34	6.0	40	8.1	74	7.0
None	81	14.4	22	4.5	103	9.8
Other	2	.2	--	--	1	0.1
No Response	34	6.0	34	6.9	68	6.5

$X^2 = 76,834$; d.f. = 6; $P < .001$

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[3] Non-Additive credit means that the credits awarded take the place of academic credits normally earned by means of on-campus courses. Additive credit means that the credits awarded are added to the total credits normally required for graduation.

is statistically reliable. By contrast, significantly more senior programs award credit for study projects based upon some aspect of their cooperative work experience. In addition, more senior colleges do not award any credit at all.

The amount of credit per work experience and total, for senior and junior colleges is summarized in Table 10 and 11. The average per experience credit is 4.2 and 3.75 respectively for senior and junior colleges; the average total number of credits awarded is 11.6 and 10.3. In practical terms the differences are small. They are, however, statistically reliable. It is clear from these findings that credits earned from co-op constitute, on the average, 17 percent of an associate degree and 9 percent of a baccalaureate degree. It should be further noted that for 39 percent of the senior colleges and 38 percent of the junior colleges the amount of credit that may be earned for any single work term varies among participating departments.

TABLE 10
Per Co-op Experience Credit Awarded
By Junior and Senior Programs

Credits	Senior		Junior		Total	
	f	%	*f*	%	*f*	%
1 - 3	101	22.5	124	28.5	225	25.5
4 - 6	89	19.9	86	19.8	175	19.8
7 +	42	9.4	26	6.0	68	7.7
Varies by department	176	39.3	164	37.7	340	38.5
Varies among students	4	0.9	6	1.4	10	1.1
Varies, both departments and students	11	2.5	7	1.6	18	2.0
Other	7	1.6	15	3.4	22	2.5
No Response	18	4.0	7	1.6	25	2.8

$X^2 = 15.441$; d.f. = 7; $p < .05$

TABLE 11
Maximum Credit Awarded By Junior and Senior Programs

Maximum Degree Credit	Senior *f*	Senior %	Junior *f*	Junior %	Total *f*	Total %
1 - 3	21	4.7	21	4.8	42	4.8
4 - 6	63	14.1	66	15.2	129	14.6
7 - 9	56	12.5	68	13.6	124	14.0
10 - 12	64	14.3	89	20.5	153	17.3
13 - 15	40	8.9	28	6.4	68	7.7
16 - 18	49	10.9	69	15.9	118	13.4
19 - 21	10	2.2	1	0.2	11	1.2
22 +	36	8.0	8	1.8	44	5.0
Varies	84	18.8	73	16.8	157	17.8
No Response	25	5.6	12	2.8	27	3.1

$X^2 = 41.161$; d.f. = 9; $P < .001$

A question regarding the relationship of co-op jobs and academic major was asked of all programs awarding credit. Responses to this question are summarized in Table 12. More senior colleges than junior colleges insist upon job relevance if credit is to be awarded. It is interesting to observe that a comparison of credit awarding programs and programs which award no credit showed no difference with respect to insistence upon major — related co-op jobs. Apparently, the objective of providing students with professionally related work experience is basic to cooperative education, irrespective of whether credit is to be awarded or not.

TABLE 12
Relationship of Co-op Job to Academic Major Among Credit
Awarding Junior and Senior Programs

Relatedness of Co-op Job	Senior *f*	Senior %	Junior *f*	Junior %	Total *f*	Total %
Job must be related	193	43.1	233	53.6	426	48.2
Most jobs related	155	34.6	147	33.8	302	34.2
Need not relate	81	18.1	48	11.0	129	14.6
No Response	19	4.2	7	1.6	26	2.9

$X^2 = 17.761$; d.f. = 3; $P < .01$

Once a decision has been made to award credit and the amount of credit has been determined it next follows that a decision as to who shall be responsible for awarding the credit must be made. A variety of decisions have been made. They are summarized below in Table 13 and show the most frequent approaches are to place responsibility upon: 1) the academic departments involved - 26.6 percent; 2) the cooperative education coordinators - 23.4 percent; and 3) to give joint responsibility to coordinators and faculty - 19.9 percent. There are striking differences between junior and senior colleges with regard to the first two of these policies. Many more junior colleges place responsibility for awarding credit with coordinators. In contrast, many more senior colleges have the teaching faculty assume responsibility for awarding credit.

TABLE 13
Responsibility For Awarding Credit Among
Junior and Senior Co-op Programs

Responsible for Awarding Credit	Senior		Junior		Total	
	f	%	f	%	f	%
Co-op Coordinator	38	8.5	169	38.9	207	23.4
Co-op Director	67	15.0	65	14.9	132	14.9
Co-op Advisory Committee	10	2.2	5	1.1	15	1.7
Coordinator and Faculty	92	20.5	84	19.3	176	19.9
Academic Department	178	39.7	57	13.1	235	26.6
Coordinator and Director	6	1.3	14	3.2	20	2.3
Coordinator and Academic Dean	19	4.3	19	4.4	38	4.3
Other	23	5.1	19	4.4	42	4.8
No Response	15	3.3	3	0.7	18	2.0

$X^2 = 158.690$; d.f. = 8; $P < .0001$

Finally, programs awarding credit were asked if tuition is charged for the credit. Responses are found in Table 14. They show that most credit awarding programs do charge for the credits earned through co-op and do so at the same rate as credits earned through other means. Junior and senior colleges are essentially alike with regard to this decision but differ among other alternative approaches. More junior colleges charge no tuition and more senior colleges charge at a rate different from that charged for other credits (presumably a lesser amount).

TABLE 14
Tuition Policies For Co-op Credit Earned
Among Junior and Senior Programs

Tuition For Credits Awarded	Senior		Junior		Total	
	f	%	*f*	%	*f*	%
Regular rate	339	75.7	329	75.6	668	75.6
Different from regular rate	39	8.7	11	2.5	50	5.7
Yearly tuition	36	8.0	26	6.0	62	7.0
No	19	4.2	62	14.2	81	9.2
No Response	15	3.3	7	1.6	22	2.5

$X^2 = 42.997$; d.f. = 4; $P < .0001$

All programs, whether awarding credit for co-op or not, were asked if they use some form of learning contract when placing their students on an assignment. These responses, summarized in Table 15, show that a total of 36 percent of all programs currently use learning contracts and that an additional seven percent are considering their use. Significantly more junior colleges than senior colleges report some application

TABLE 15
Use of Learning Contracts By Junior and Senior Co-op Programs

Use Learning Contract	Senior		Junior		Total	
	f	%	*f*	%	*f*	%
Yes	147	26.1	228	46.4	375	35.6
No	150	26.6	35	7.1	185	17.6
Planning	47	8.3	25	5.1	72	6.8
No Response	219	38.9	203	41.3	422	40.9

$X^2 = 91.821$; d.f. = 3; $P < .0001$

of contract learning to their cooperative education programs. Focusing only upon those who responded to the question about learning contracts and awarding credit, it is interesting to note that a significantly larger proportion of programs awarding credit of any kind use learning contracts than programs not awarding credit. These findings are presented in Table 16.

TABLE 16
Use of Learning Contracts By Credit Policies

Use of Learning Contracts	Additive Credit	Non-Additive Credit	Additive & Non-Additive Credit	Credit For Projects	No Credit
Learning contract	30 61.2%	279 68.0%	42 70.0%	13 38.2%	9 12.0%
No learning contract	16 32.7	90 22.0	7 11.7	16 47.1	56 74.7
Considering contract	3 6.1	41 10.0	11 18.3	5 14.7	10 13.3

$X^2 = 112.412$; d.f. = 8; $P < .0001$

As a follow-up to the questions regarding credit and learning contracts, program directors were asked to report how student learning was assessed. Their responses are summarized in Table 17. Terms papers

TABLE 17
Approaches To Evaluation of Student
Learning Among Junior and Senior Programs

Evaluation Strategy	Senior		Junior		Total	
	f	%	*f*	%	*f*	%
Term paper and reports	244	49.2	163	37.4	407	43.7
Logs, journals	44	8.9	51	11.7	95	10.2
Student self evaluation	67	13.5	63	14.4	130	13.9
Employer, site supervisor	57	11.5	78	17.9	135	14.5
Co-op coordinator	26	5.2	24	5.5	50	5.4
Instructor, faculty advisor	25	5.0	24	5.5	49	5.2
Seminar participation	27	5.4	25	5.7	57	6.1
Other	6	1.2	8	1.8	14	1.5

and student reports are the single most frequently used method for documenting student learning. They are used three times as often as the next most frequent approach, reliance upon employer judgments. Senior and junior colleges differ significantly with regard to their use of these two most frequent assessment approaches. Senior colleges make greater use of student papers and junior colleges use employer ratings more frequently.

Junior and senior institutions also differ with respect to the number of reported visits to students while on work assignments and the number of reported visits to employers. In both instances, junior colleges report a greater number of visits. These data are presented in Tables 18 and 19.

TABLE 18
Average Annual Coordinator Visits To Students
While On Co-op Assignment Among Junior and Senior Programs

Average Number of Per Student Visits	Senior		Junior		Total	
	f	%	f	%	f	%
Less than one per student	191	33.9	63	12.8	254	24.1
1 - 2 per student	105	18.7	116	23.6	221	21.0
More than 2 per student	32	5.7	98	20.0	130	12.3
No Response	235	41.7	214	43.6	449	42.6

$\chi^2 = 94.935$; d.f. = 2; $P < .0001$

TABLE 19
Average Annual Coordinator Visits To Employers
Among Junior and Senior Programs

Number Employer Visits	Senior		Junior		Total	
	f	%	f	%	f	%
0	11	2.0	5	1.0	16	1.5
1 - 25	177	31.4	115	23.4	292	27.7
26 - 50	66	11.7	36	7.3	102	9.7
51 - 75	21	3.7	22	4.8	43	4.1
76 - 100	21	3.7	37	7.5	58	5.5
101 - 125	12	2.1	16	3.3	28	2.7
More than 125	14	2.5	43	8.8	57	5.4
No Response	241	42.8	217	44.2	458	43.4

$\chi^2 = 40.529$; d.f. = 7; $P < .001$

C. PROGRAM STAFF

This section of the report presents data regarding the educational levels of program coordinators and data on staff salaries.

Table 20 gives the highest level of education achieved by professional program staff of junior and senior college programs. The findings show somewhat similar distributions of educational level for junior and senior college program staff in that for both the masters degree accounts for the largest proportion and less than the baccalaureate accounts for the smallest proportion. However, the staffs are proportionally alike only with regard to their numbers who have the baccalaureate degree. Significantly more junior college program staff have less than the baccalaureate and significantly more have the masters degree. On the other hand, significantly more senior college program staff have the doctorate. The data also suggest a substantially greater number of junior college staff than senior college staff participating in cooperative education. Direct data on this point, however are not available.

TABLE 20
Highest Level of Education Achieved By Professional
Staff of Junior and Senior Programs

Education Level	Senior		Junior		Total	
	f	%	*f*	%	*f*	%
Less than baccalaureate	10	0.9	84	4.2	94	3.1
Baccalaureate	200	18.8	463	23.2	663	21.7
Masters	520	48.9	1354	67.9	1874	61.3
Doctorate	334	31.4	94	4.7	428	14.0

$X^2 = 424.275$; d.f. = 3; P = 0

Tables 21 and 22 below present data on junior and senior college program salaries for coordinators and directors, respectively. Table

21 gives the distribution of coordinator salaries. The data show the junior and senior distributions differ at the 95 percent level of

TABLE 21
Distribution of Coordinator Salaries Among
Junior and Senior Programs

Salary Distribution	Senior		Junior		Total	
	f	%	f	%	f	%
Up to $12,000	19	3.4	9	1.8	28	2.2
$12,001 - $16,000	58	10.3	52	10.6	110	10.5
$16,001 - $20,000	58	10.3	47	9.6	105	10.0
$20,001 - $24,000	25	4.4	36	7.3	61	5.8
$24,001 and above	4	0.7	10	2.0	14	1.3
No Response	399	70.9	337	68.6	736	70.2

$X^2 = 9.468$; d.f. = 5; $P < .05$

confidence, with a somewhat greater proportion of junior college program coordinators earning higher salaries. It seems likely that the fact that two year college programs are almost exclusively in public institutions whereas only half of the senior college programs are in public institutions may account for this difference. On the other hand, the data of Table 22 show no differences in the salary levels of junior and senior program directors.

TABLE 22
Distribution of Director Salaries Among
Junior and Senior College Programs

Salary Distribution	Senior		Junior		Total	
	f	%	f	%	f	%
Up to $14,000	34	6.0	38	7.7	72	6.8
$14,001 - $18,000	72	12.8	46	9.4	118	11.2
$18,001 - $22,000	40	7.1	37	7.5	77	7.3
$22,001 - $26,000	17	3.0	11	2.2	28	2.7
$26,001 and above	18	3.2	14	2.9	32	3.0
No response	382	67.9	345	70.3	727	69.0

$X^2 = 4.841$; d.f. = 5; $P > .40$

D. COOPERATIVE EDUCATION PROGRAM ENROLLMENTS

Co-op student enrollment data are summarized in Table 23. These data indicate, first, that the enrollment distributions for junior and senior college programs differ significantly, with more senior programs having no more than 100 students and more junior programs with more than 800 student enrollments. Second, the data show, for both junior and senior programs that at least half the programs have no more than 100 participating students. The typical program size (median) for senior colleges is 56 student enrollments, for junior colleges 76 and for the total, 73.[4] Calculation of average (mean) program size poses a problem because the relatively few programs of more than 1000 student enrollments (2.8 percent) greatly distort the arithmetic mean. In an effort to

TABLE 23
Student Enrollments In Junior and Senior Programs

Student Enrollments	Senior		Junior		Total	
	f	%	f	%	f	%
1000 and above	11	1.9	19	3.9	30	2.8
901 - 1000	3	0.5	9	1.8	12	1.1
801 - 900	2	0.3	6	1.2	8	0.8
701 - 800	4	0.7	2	0.4	6	0.6
601 - 700	2	0.3	8	1.6	10	0.9
501 - 600	10	1.8	9	1.8	19	1.8
401 - 500	8	1.4	9	1.8	17	1.6
301 - 400	11	1.9	23	4.7	34	3.2
201 - 300	24	4.1	33	6.7	57	5.4
101 - 200	65	11.5	90	18.3	155	14.7
1 - 100	330	58.6	243	49.5	573	54.5
No Response	93	17.0	70	14.3	163	15.5

$X^2 = 36.082$; d.f. = 11; $P < .01$

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[4] For purposes of calculating median and mean student enrollments, class intervals of 25 students were used, rather than the 100 student intervals given in Table 23.

compensate, mean enrollments were calculated with these "outlanders" removed. The average senior college program was found to be 110 students, the average junior college program 170 students and the average of all programs 138 students. Usin these average figures for all programs reporting enrollments of no more than 1000 and also for programs not reporting enrollments and adding the known enrollments for programs greater than 1000, the best estimates of co-op population enrollments are:

- Senior college programs	94,269 students
- Junior college programs	110,488 students
- Total population of programs	204,757 students

E. SUMMARY

The 1977 cooperative education survey data were analyzed so as to show both the major characteristics of programs in the U.S. and Canada and the similarities and differences between programs in junior and senior colleges. The principal findings are summarized below:

1. There are 1054 co-op programs in the U.S. and Canada (15 in Canada). Of these, 563 (53 percent) are in senior colleges and 491 (47 percent) are in junior colleges.
2. Just over half the senior programs are in public institutions, whereas 90 percent of junior programs are in public institutions.
3. The principal mode of operation among senior programs is the alternating plan. Among junior programs, it is the parallel plan.
4. Among senior college programs, the most frequently used plan of student access to the program is the optional with specified academic standards for admission. Freely optional programs are the second most frequent. Among junior college programs, the optional plan is the most frequent but there are also a substantial number of mandatory programs.

5. Most programs, both junior and senior, report all or most co-op work assignments are related to the students' academic major.

6. The great majority of co-op work assignments are paid, for both junior and senior programs.

7. About 70 percent of all programs award degree credit, based upon co-op work. These credits substitute for credits typically earned through on-campus courses. More junior programs award credit than senior programs.

8. The average per work experience number of credits awarded for co-op is 4.2 for senior programs and 3.75 for junior programs. The average number of total credits awarded is 11.6 and 10.3 respectively for senior and junior programs.

9. Approximately half of the junior college programs report using some form of learning contract with their co-op students. Among senior colleges, about one-quarter report using them.

10. The most frequently used methods of student evaluation are, for both junior and senior programs, term papers and reports (44 percent) and employer assessment (15 percent).

11. Coordinators in junior college programs report more frequent visits to students at work and to employers than do coordinators in senior programs.

12. A substantially greater proportion of senior program coordinators have the doctorate than junior program coordinators.

13. The overall distribution of coordinator salaries is somewhat higher among junior programs in comparison with senior programs. For directors, however, the distributions of salary are the same.

14. It is estimated that there are about 205,000 co-op students in the U.S. and Canada. Over half the population of programs have fewer than 100 student enrollments.

Mr. **Buchanan**. Do you have the statistics on the percentage of co-op students who continue to be employed after graduation?

Mr. **Wooldridge**. On the average about 50 percent or half of the students coming out each year with degrees in hand from both 2- and 4-year will stay with their co-op employer after graduation.

Mr. **Buchanan**. You indicated GMI.

Mr. **Wooldridge**. That would be considerably higher because it is a single corporate entity.

Mr. **Buchanan**. What about the success rate of students finding a job after graduation?

Mr. **Wooldridge**. The other 50 percent? Usually very little problem at all because in a 4-year program they have 2 years of experience in addition to the regular baccalaureate and in a 2-year institution at least 1 year and sometimes 1½ years of experience in addition to their 2-year degree.

So, they offer the experience and the degree. And usually find employment more readily and at higher pay to start.

Mr. **Buchanan**. I must say I have some sympathy for the idea of making available some percentage of the college work-study programs with the private employment sector. But I wonder to what extent such jobs may come from jobs that otherwise would be given to nonstudents, and I also wonder what the labor union's attitude is toward this?

Mr. **Ryder**. It is very hard to judge whether there would be an impact, but our feeling is that this would provide an opportunity for diversity of employment in a great number of smaller companies and corporations and employers that now cannot operate a program of sufficient scope to justify full pay for a regular college co-op student.

We believe the expansion would come in terms of professional experience in many, many small companies where there would not be a significant impact upon the labor situation. And, of course, the organized labor unions have formally endorsed cooperative education, I think, for pretty obvious reasons: That it is a program to serve working people. The sons and daughters of laboring people have an opportunity through cooperative education to get social mobility that would not otherwise be available.

Mr. **Buchanan**. I would be pleased if we could make the case that this would not have significant impact upon the laborer situation because I would think that would be a rather key factor.

Mr. **Ryder**. Yes, it would be.

Mr. **Buchanan**. If the institution's consortium funding limits for institutions were raised from $175,000 and $125,000 to $300,000, and $200,000 respectively, could sufficient co-op education jobs be found to use the money immediately or should it be phased?

Mr. **Wooldridge**. No, I think the Congress should enact the law and the Appropriations Committee should appropriate that money high enough for them to come up to that immediately.

The problem in cooperative education has not been finding the jobs, oddly enough, but attracting enough students into it. When I said earlier that except for a few of us that run mandatory programs, the student arriving at the institution, and having arrived there, they may find that option available to them. And the real selling has to be done to the students. Having once gone to campus and been accustomed to the routine, to then interrupt that to go out to business and industry has been a greater problem than for the coordinators finding jobs.

Northeastern, and that is the other half, has been doing it since 1909, and even through the 1930's and the two major world wars, the jobs are there for students.

Mr. **Buchanan**. Thank you very much. Again, I want to join the chairman in thanking the panel for your most helpful contribution to the record.

Mr. **Ford**. Apropos of your question before the last one, John, it is my impression that there are a substantial number of students generated by the big three subsidizing in some fashion employees who go to college and take programs that are in some way related to their possible career objective, that in fact you give them time off and actually pay part of the tuition and things of that kind. Is that found in other parts of the country?

In the Detroit area that is not something new. That is something that has been going on for quite some time.

And in response to the question about the unions, I have never heard of negative reactions from union people in Michigan with respect to these arrangements. And as a matter of fact, they have been very supportive of them. Does this program that General Motors participates in the Detroit area, does that happen in other parts of the country as well?

Mr. **Holmes**. Yes, Mr. Chairman. I think that most corporations beyond a certain size have some form of tuition refund. They very sizably encourage their employees to finish high school if they have not done so and finish degree programs if they have not done so.

And generally they will provide tuition refund programs either whole or in part either prior or after a grade is achieved or something of that sort.

Mr. **Ford**. You will not classify that type of student as a co-op student, would you?

Mr. **Holmes**. Generally, no. They are going to school at night or on their own time or perhaps at times understandably arrived at with the corporation. So they might be put on an appropriate shift so that they could go to school at times when the classes were offered in the school they choose to attend.

Father **Carron**. We just made an agreement with GM Truck to do onsite education for them, sending our faculty out to the plant, and there will be hundreds of workers who will get a start on a bachelor's degree in this way. They will get full credit, of course, and qualify through the normal admission requirements.

But that again will not be technically part of our co-op.

Ms. **Salisbury**. And I will just add one thing. We too at the community college have that same type of relationship whether it comes through our providing training as part of continuing education, community service or regular academic programs at whatever time is necessary to meet the needs of individuals or groups of individuals within a particular company, either onsite training or on our campus.

Mr. **Buchanan**. Father, just one other thing, on your law program; do you use title II, the law student experience program? That program authorizes the Commissioner of Education to enter into grants or contracts to establish or expand programs which provide clinical experience to students in the practice of law?

Father **CARRON**. We are involved in that and have been from the beginning but that is more on an intern level and it is experience the student gets under supervision of the faculty. And they actually represent clients in court and everything. A co-op experience I would imagine would be working in a law office.

So, it would be a little difficult. And I do not think you could get those funds for that, could you?

Mr. **RYDER**. No. We have the only program in the country of a law school fully committed to cooperative education. It is a different type in terms of experience for our students. When we reestablished the law school 10 years ago, we committed it totally to co-op. The program consists of 3 years like a traditional school, with the first year being one of full-time study and thereafter on alternate 3-month periods the student shifts between the campus and the law experience, having over the period of his degree a full year of experience in the legal setting.

And the faculty have chosen to provide a diversity of experience so that the student may be in a Wall Street law office or in a legal assistance area or the Federal Government at some commission. So that there is an opportunity to get a broad feel for many aspects of the law as well as substantial earnings and the practical experience that is usually built into internship.

Mr. **BUCHANAN**. I was just wondering if there is specific difference that you need that aspect in cooperative education plus title II?

Mr. **RYDER**. We would be delighted to see it shifted to the co-op side of the funding level because we believe that provides the best internship imaginable.

Mr. **FORD**. This is a cynical approach but the problem we have had in the development of that program has not been the small amount of money put into it but the difficulty was tradition, which until very recently would not permit students to do anything meaningful in law offices. And we now have growing across the country a phenomenon of permitting paralegal personnel.

You used to be in danger when you had somebody working in the law office of violating the professional code of conduct or the code of ethics if they worked on the wrong thing at the wrong time and it was in fact construed by the Bar Association to be the practice of law.

If somebody got so good that they went into the county building to file papers as a messenger but the judge asked them some questions about the papers while they were filing them, suddenly you were in trouble. The Bar Association is slightly behind the Medical Association in coming into the 20th century.

But that is moving very rapidly now. So that the opportunities are presenting themselves. The opportunity just was not there for meaningful employment in the law office. You had to send them out to be messenger boys in the past.

Mr. **RYDER**. I think we made a major breakthrough in getting approval from the law school association and the ABA for this cooperative education program, which is fully accredited in all respects and does represent a whole new approach to legal training.

We are delighted to pass on the torch to other institutions.

Mr. FORD. Thank you very much. And we appreciate your help to us. The committee will stand in recess until tomorrow morning in Hartford, Conn.

[Whereupon, at 1 p.m. the subcommittee was recessed until Friday, April 27, 1978.]

STATEMENT OF THE ASSOCIATION OF AMERICAN PUBLISHERS
College Library Program
(Higher Education Act Title II-A)

The Association of American Publishers (AAP) is the general association of book publishers in the United States. It comprises the General Publishing Division, Direct Marketing/Book Club Division, Technical, Scientific and Medical Division, International Division, College Division, Mass Paperback Division, and School Division. Our 330 member publishing houses produce the vast majority of general trade, educational, reference, professional and religious books published in this country. AAP members publish 80% of the instructional materials used in the nation's classrooms.

The Higher Education Act, as originally enacted in 1965, included a provision for college library resources. At the time, the Senate committee report noted that "although the Nation contains some of the finest university libraries, the number of inadequate college and university libraries is overwhelming." While Title II-A, with its FY 1966-79 total of $187.6 million in funding has helped, the fact is that the need persists. The "National Inventory of Library Needs - 1975", published by the National Commission on Libraries and Information Science less than two years ago, noted that almost two-thirds of college and university students are served by inadequate libraries. Another generation of students should not be shortchanged because our college libraries have just not kept up with the knowledge explosion.

There is too great a difference between the have and have-not schools in library resources. Harvard, in the fall of 1977 had 9.547 million volumes in its library with a full-time equivalent professional staff of 249.5. It ranked first in the nation. The University of California at Davis, with a comparable professional staff of 66.4, had a fraction of that collection, - 1.381 million volumes. It ranked 50th. Consider then the great majority of post-secondary institutions below that level with even less in the way of resources.

We support extension of the College Library Program (Title II-A of the Higher Education Act) with modifications. The basic grant ceiling should be increased from $5,000 to $10,000 with the requirement that for any basic grant in excess of $5,000 the institution would provide equal matching funds. As in other education programs, maintenance of effort could be computed on either a per student or an overall expenditure basis and would be tightened so that exceptions could be for only one year.

These changes, which are along the lines of HR 10541 introduced in the last Congress by Representative William Ford, would meet the changing needs of the program and many of the criticisms which have been leveled against it.

The administration has suggested that grants be made only on the basis of need. One way this could be accomplished is to define college libraries in need as those falling short of the college library standards established by the American Library Association.

Extension of the College Library Program, as we suggest, would serve to stimulate needed additional support from non-Federal sources because of the matching and maintenance of effort requirements and would help hard pressed institutions to meet the increasingly complex needs of students and scholars.

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